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AUSTRALIA

SYDNEY DAILY PUBLISHES PRO, CON ON DEFENSE SPENDING DEBATE

Jockel; Paying Too Much

Sydney THE SYDNEY MORNING HERALD in English 8 Apr 86 p 19

[Commentary by Gordon Jockel, former head of the Joint Intelligence Organization, former Ambassador to Indonesia and Thailand]

[Text]

HOW much defence do we really need? If there is no foreseeable threat to Australia — and including Indonesia there isn't — should we be devoting vast amounts of our scarce national wealth to defending ourselves against it?

There is far less violence and instability in our neighbourhood than we would once have thought possible. Indonesia has consolidated. The ASEAN nations do not stir up trouble for each other, nor do they allow others to do so.

For about the last 15 years Australian governments have taken the view that Australia faces no threat in the 10 years ahead. The 15 years that have elapsed plus the projection for the next 10 make a quarter of a century without threat. And yet Australia's defence spending as a proportion of GDP has not diminished in recent years, including a large foreign exchange component. Moreover, apart from the years when defence spending was higher because of the fighting in Korea and Vietnam, the present percentage is not lower than it was when Australian governments were apprehensive about the strategic environment — falling dominoes and the downward thrust of China.

I can't imagine anything more difficult to work out rationally than a sensible national defence capability. The more difficult it is the more searching should be the effort. It was a former Army Chief of Operations and now head of the Federal

Police, General Gray, who recently raised the issue of priorities when he queried a \$6 billion defence vote in relation to the \$100 million to be used for fighting the drug war.

In recent years Australian forces have not been engaged other than in peace-keeping roles. What we have got for our defence dollar has been the maintenance of the structure, the retention of state of the art skills and capabilities, the preservation of services' morale and various other benefits like defence assistance programs with other countries and aid to the civil authorities in national disasters. Some people would say that Australia's security was enhanced because of the deterrent power of our forces. This I do not accept because we have not even remotely been under threat. There also are other arguments about the level of defence capability winning us status and influence in South-East Asia.

Do we need to spend at an annual rate of \$6 billion to maintain adequate forces and keep up the state of the art? So long as we hold to the 10-year no-threat estimate, that figure really takes some arguing. The evidence of recent years doesn't support the argument. Whole systems of equipment have served out their time of life and usefulness with small returns.

I suppose I will be told that shifting to continental defence, relying less on allies, and the escalating cost of replacing equipment all combine to drive the defence vote up. I wouldn't doubt it as we

look upon defence capabilities as a sort of constant. But in Australia's strategic situation as it has now emerged, we have to address the question how much defence do we really need and how much can we afford? What sort of defence insurance policy should Australia take out?

Australian governments receive good strategic assessments through the intelligence agencies and the Department of Defence which also have available national assessments from their overseas counterparts. Rarely, however, do governments coherently examine defence policy in conjunction with strategic assessments. And consideration of defence estimates takes place in the budget context and not in the strategic context. I venture to say that the implications of the 10-year no-threat assessment do not strike home when defence estimates are considered. Making decisions on defence spending and defence programming seems to follow a historical, political and institutional life of its own.

An example of what I seek was the aircraft carrier issue. The question of whether Australia should have had a replacement carrier did tend to bring together questions of strategic requirement, roles and affordable costs. This should happen much more.

While our Minister for Defence tells us that strategically Australia is one of the most fortunately placed countries in the world, at the same time he hands us a defence program which places us in the higher bracket of world defence spenders. I can understand that Labor is fearful of appearing soft on defence, but that seeming paradox needs more explanation than we get.

The strategic environment is not only about capabilities and intentions and distances and logistics. It is also about norms and conventions which affect the behaviour of states. The advent of the nuclear bomb and the end of colonialism changed the international order. Years ago Raymond Aron wrote of the freezing effect of the nuclear bomb on the international order. Scores of small new nations have a common voice about the sanctity of borders.

Today nations do not massively attack each other. An established, internationally recognised and stable state *ipso facto* enjoys a large measure of security (the

DEFENCE EXPENDITURE 1983

(As a percentage of GDP)

Country	%
Australia.....	3.2
Canada.....	2.1
Denmark.....	2.4
France.....	4.2
Indonesia.....	3.5
Japan.....	1.0
South Korea.....	5.7
Malaysia.....	7.1
New Zealand.....	1.9
Sweden.....	3.2
USSR*	16.0
UK.....	5.5
USA.....	1.4

* Estimated.

Source: International Institute for Strategic Studies, *The Military Balance 1985-86*.

turbulent and tension-ridden areas of the world are where the very existence of states is in dispute or régimes are challenged). Such factors should enter our calculations about how much defence we need and what to pay for.

Such factors also should be part of our calculations on handling our defence and security. Let me illustrate. Peace and the absence of external threat in South-East Asia flow not only from the social and political resilience of the countries in the region but also from the constraints I have mentioned. The USSR, I believe, uses its power as arms supplier to Vietnam to exercise a restraining hand on Vietnam at Thailand's borders. The Thais carefully manage their political relations with the USSR. Trade between the two countries has actually expanded considerably since Vietnam's invasion of Cambodia. As remarked to me by a Thai general, "Ambassador, we defend our borders by political means."

What of Australia? Any country in our neighbourhood which challenged Australia militarily would need an external arms supplier. In my book, it suggests on defence grounds that Australia should take the edge of hostility out of its feelings about the USSR and pursue sound and stable relations.

In what I have said about the international order I am not suggesting that whole chunks of the world can rest in peace, confident that force will not be applied. Force may well be exercised to secure political aims and limited objectives. In our part of the world, in its short but lively history, Indonesia has learnt the technique of deploying the lowest military options to try and get its way. Moreover, given their importance in Indonesia's internal power structure, it is likely that its armed forces will continue to avoid operations which carry risks of escalation and heavy retaliation.

I happen to think of Indonesia as a strategic asset and not a potential threat. But the above serves to make my point. If we now conceive of Australia's armed forces as having continental and neighbouring roles, we need to study how we handle conflict in a largely Third World military environment. Some costly high-

technology weapon systems might not fit.

There are some who might find this article over confident about the unpredictabilities of the future. My fall-back justification is to refer to warning time. Excellent work has been done in our defence and intelligence establishments to the effect that neither uncertainty or time need work against us. The nations in our region are low powered militarily. It would take them a considerable time to work up a military capability that would pose a serious threat, during which Australia could gear itself for the contingency. That is another factor to consider when thinking about the size of the insurance policy.

My own view is that we are paying more insurance than we need, given that we are not under threat and that our national stability and international standing are important elements of security.

Reasons for \$6 Billion Budget

Sydney THE SYDNEY MORNING HERALD in English 8 Apr 86 p 19

[Commentary by Peter Hastings, former editor and one-time senior research fellow, Strategic and Defense Studies Center, ANU]

[Text]

NO-ONE in his right mind quarrels with the statement of the former Director, Joint Intelligence Organisation, Mr Gordon Jockel, that Indonesia is not now or foreseeably a "military threat" to Australia. Only last week in Jakarta, Mr Beazley, the Defence Minister, said just that.

He added, however, that increasing Soviet Union sea and air capability based on Vietnam's Camranh Bay caused concern to Australia and regional countries. Was he trying to justify our annual \$6 billion defence expenditure on political grounds? Or on genuine strategic grounds, that while our region is a less uncertain part of the world than others, is it still uncertain for all of that?

Mr Jockel argues that Australia should substantially cut its defence expenditure — he does not say by how much — because Australia "has not been remotely under threat". Perhaps.

The near mid-1960s purchase of the F111s — still the deadliest strike

weapon in the region — may have deterred President Sukarno from a rash venture over the PNG border. Defence is not simply about identifiable threat. It's about many things, chiefly credibility.

Deterrence is expensive and, because technology costs escalate at a faster rate than annual inflation, getting more so. It is no argument for reduced expenditure to complain that "whole systems of equipment have served out their time of life and usefulness with small returns". He means they have not been combat tested.

France, West Germany and Italy, to take three disparate countries, have deployed whole generations of high cost, high-tech weapons that have lived out their "usefulness".

Singapore's 720 M-113 armoured personnel carriers, a very large number for a small island city, have never been battle tested either. Moreover, if it comes to that, the Soviet Navy, yearly increasing in global reach, hasn't fired a shell in anger since 1945.

In any case two of our most expensive weapons systems, the Oberon submarines and the Orions, have been used for very real peace time surveillance and intelligence operations. The Orions regularly deploy from Butterworth well into the South China Sea where Soviet Union vessels operate. Their intelligence reports go not only to Malaysia and Singapore, but also informally to other friendly, anti-Soviet, South-East Asian countries.

In asking whether Australia should divert "vast amounts of our scarce wealth" to defending ourselves against no identifiable threat, Mr Jockel also asks what defence do we "really need". It's a question consistently bedevilling Australian defence planning.

Too often in the past the capabilities and weapons we sought were not realistically related to our likely strategic problems. The carrier debate was an example. Admirals, generals and air marshals like to push for pet projects, "state of the art" acquisitions and so on.

We can only determine what we really need by determining first an adequate defence of Australia, based on Australia's island-continent nature. This means adequate defence and surveillance of our huge sea approaches — an enemy can only approach us above, on or below the sea's surface — bearing in mind Australia has one of the world's longest coastlines, second largest economic zone and fourth largest fishing zone.

When we realistically determine defence and surveillance requirements in the light of these parameters we can say what we can afford.

Some will want more. Others will settle for less. But the argument that defence estimates are conducted in a budgetary rather than strategic context has been truer in the past than now, I suspect. The Melbourne is not the only defence item examined, and rejected, on combined strategic/cost grounds. The decision to acquire ASW helicopters for the RAN's FFGs followed detailed debate on strategic needs.

No Australian defence purchase was as exhaustively researched over years as the \$2,000 million Hornet replacement of the Mirages. Equal care has gone into the choice of the new submarines, costing \$2,600 million.

Mr Jockel links his "real need" argument with another, namely that nations today "do not massively attack each other". In the World War II sense, no. But quite recently the US and North Vietnam massively attacked each other for years in a bloody war with very high casualties. The US dropped more bombs on North Vietnam than the RAF and USAF on Europe in World War II.

India helped create a new sovereign state by massively attacking a neighbour. The present Iran-Iraq war has been long and brutal with an estimated one million dead. Russia's invasion of Afghanistan has been a war not a skirmish. So was Vietnam's invasion of Cambodia disguised as liberation.

In an echo of the early 1960s, when Russia was a prime weapons supplier to Indonesia, Mr Jockel argues that any neighbouring country "challenging Australia militarily" would need an external arms supplier and that as the Soviet Union is the most likely candidate Australia should seek better relations with it.

This depends upon the likelihood of a genuine Soviet response. One need not be a Fraseresque Russophobe to have doubts. The USSR does not share our Western values. It has unvarnished superpower ambitions. Its ASEAN relations are poor. I should have thought our diplomacy better directed to strengthening regional rather than Soviet relations.

Mr Jockel's central argument, however, for reduced defence expenditure, is that Indonesia's inherent weakness, the desire of its army to avoid military ventures beyond its capability makes it a strategic "asset" not a threat. He adds that if Australia is concerned with continental rather than forward defence it should abandon "costly high technology weapons". But can we?

Even if Indonesia is incapable of major threat to Australia, it could nevertheless under changed political conditions, regional or domestic, stretch us at much lower conflict levels. His argument about having no need of high-technology weapons does not follow. Australia's armed forces are necessarily small while the sheer size of our northern coastline and approaches comprise operational areas requiring high technology, endurance and sustainability in the form of OTHR, strike

aircraft, submarines, fast surface ships and a military presence which is manifest if small.

Are we paying too much for defence at 2.9 per cent of GDP annually? Mr Jockel believes so, stating that we are in the "higher bracket of defence spenders". We are actually 17th on the world list, well behind Norway, Portugal, Spain and Turkey, NATO powers admittedly, but all of which spend more than 3 per cent of GDP annually on defence.

We are also on the defence hook. Australia is, for the first time, seeking to establish military forces based on the defence of Australia, as independently supplied and maintained as possible. This of course can only be relative. Even so the changes in force structure since Forward Defence days are relatively enormous and very costly as the Dibb Report will undoubtedly reveal.

A reduction in defence expenditure by 1 per cent of GDP annually from its present level of 2.9 per cent would equal a cut of \$2.2 billion each year or a

cut of more than \$11 billion in the Five Years Development Program. This would involve a massive restructuring of the force structure and virtual cancellation of major weapons systems.

Defence is costly insurance for us. But no less so for regional countries. In 1983 we were (still are) well behind Malaysia which spent on defence 8 per cent of GDP and Singapore which spent 4.8 per cent. Moreover, Malaysia's and Singapore's defence expenditure as percentage of government spending was 17.3 and 15.5 per cent respectively, compared with Australia's 9.8 per cent.

Even allowing for built-in socio-political elements in ASEAN military spending, these are very burdensome amounts indeed for small, relatively small countries. And why do they spend them if the region is as stable, as responsive to "norms and conventions", as Mr Jockel's article suggests? Because, like us, they live in an uncertain world.

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CSO: 4200/935

NEW SOUTH WALES LABOR PARTY LEFT WING SPLIT SEEN

'Irreconcilable Differences Simmering'

Sydney THE SYDNEY MORNING HERALD in English 8 Apr 86 p 19

[Article by Dennis Shanahan]

[Text]

THE Left wing of the NSW ALP is about to split. Irreconcilable differences, simmering for years, between Left leaders and factions can no longer be accommodated under a single banner.

The leaders of the parliamentary Left acknowledge that the faction has lost direction and is about to be "realigned" and lose members. ALP headquarters is already making preparations to deal with two left-wing minorities rather than one. Internal left-wing bickering has resulted in one of the left wing's zones in the inner-City being suspended, and in declining attendances at the Left's ruling Steering Committee. The battle for control of the Steering Committee itself is also part of the realignment.

There have been precedents for the creation of three factions in NSW ALP politics, although the reasons for the previous splits have been far more clear cut and based on deep ideological differences.

The acknowledged leader of the parliamentary Left, the Minister for Housing, Frank Walker, who maintains strong links with left-wing unions, believes the differences which are now becoming even more apparent have been present and increasing for at least three years. Mr Walker denies that the realignment is an attempt on his leadership. He sees it as part of a move in sections of the Left away from an industrial base.

"This debate has been going on for some time. It has a lot to do with who controls the steering committee. The group opposed to the trade unions

controls the executive of the Steering Committee," he said. "The debate is now between those who think branch stacking, getting the numbers, getting into Parliament and getting the numbers in Parliament is more important than working out general policies. Those people also take the view the trade unions are some sort of impediment and try and reduce the influence of trade unions in the Labor party."

Rodney Cavalier, the NSW Minister for Education, who was "put on trial" last year by elements of the Steering Committee for anti-union attitudes after his attack on the NSW Teacher's Federation, has challenged the Left's orthodox view of leadership.

Mr Cavalier, the likely leader of any new Left faction in NSW, has been locked in a battle with the Teacher's Federation for almost two years. His public view of some public sector unions is that they have been taken over by middle-class careerists who do not address the traditional needs of unionists. When asked if the current problems within the Left were, in part, due to a vacuum left by the retirement of long-time and well-respected Deputy Premier, Jack Ferguson, Mr Cavalier replied: "This is not an unusual situation. Through its history the Left has usually been without a leader and has operated well on the basis of a series of key figures. Only at times when there has been an Evatt or Rex Connor in the Parliament or a Jack Ferguson for the whole NSW Left has there been a leader.

"We are now going through a period where there isn't a leader. It is hard to

see where there is a leader in the present parliamentary Left. It is essential to have a clear source of authority. The Steering Committee's internal divisions have meant there isn't a clear source of authority."

The current split, which will culminate before or at the State ALP conference in June, is part of problems the Left wing has in Government. The Labor party has control of the most populous States and economic and welfare policy. The machinery is in place to implement the agenda of reform so long sought by the Left. But pragmatism rules. Labor can do more, the argument runs, by limiting its goals to achievable aims and holding on to power over a longer period.

Putting pragmatism before principle is not limited to the Right wing; it is gaining force within the Left, and is one of the root causes of dissension there. Philosophy is becoming a victim of sophistry.

According to Frank Walker, the Left wing "tends to be about a series of philosophical values felt very strongly in the Left and not so strongly in the Right". He said he supposed the Left was "more idealistic as opposed to pragmatic".

"The Left would see itself for progress and change and see the Right as for getting into office at all cost and holding on to it. The Left would also see the Right as less likely to change than the Liberal Party on some social issues. All political parties are in turmoil but the Right is in tremendous upheaval. You have an economic traditionalist — Keating — and [John] MacBean attacking him and taking a very traditional leftist position on the economy," he said.

"On the other hand you have Bob Carr [NSW Minister for Planning and Environment] standing up in public forums and saying what I said 20 years ago in the Labor Party and was rubbish for it. The Left is the engineer of ideas. We produce the new ideas which cause outrage, but in one to two decades they are always adopted by the Right. There certainly is a revolution occurring in Australian politics and in world politics, but it has a lot to do with having a highly educated set of parliamentarians and

union leaders. Those sorts of people challenge dogma."

But it was the idealists who attacked Frank Walker for introducing the NSW land rights policy in "watered down" form. NSW now leads the country in Aboriginal land rights reforms, but sections of the Left remain dissatisfied and are further frustrated by the Federal Government's backdown on land rights.

A lack of a specific rallying point — such as the Vietnam War protests — is also contributing to the aimlessness and introspection within the Left. According to Mr Cavalier, the Vietnam generation gave the Left a tremendous lease of life because "Vietnam destroyed the legitimacy of American leadership".

"Of course 1968 is 17 years ago, the liberation of Saigon is 11 years ago, and no new cause has emerged — notwithstanding attempts to rally around uranium. So what the Left operates on now is a response to single issues and an attempt to remain relevant as different episodes arise," he said.

In comparison he says the Right has a romantic attachment to that old Irish ideal. "It is remarkable how many people who clearly have not the slightest bit of Christianity in their lifestyle still feel the need to go to church almost every Sunday as part of a ritual and part of the need to be seen. Not unlike certain left wingers who feel the need to participate in demonstrations and marches. They have precisely the same meaning. Marxism has never been strong in terms of Australian Left philosophy. It has been a potpourri of various socialist thought."

But Mr Cavalier says it is essential for a Labor Government to demonstrate in areas of public ownership, such as transport, health and education, that "those services are efficient and can be more efficient than anything the private sector can achieve".

As far as the Left moving slowly to achieve aims he takes a pragmatic political view with touch of long-term idealism — a lot can be achieved in reform if the time is right for the electorate.

"The time has to be right. You can do almost anything if the time is right."

Editorial Views Crisis

Sydney THE SYDNEY MORNING HERALD in English 10 Apr 86 p 10

[Editorial: "The Life of the Labor Party?"]

[Text]

THE LEFT, historically and self-consciously the life and conscience of the Labor Party, is clearly in a crisis. In NSW, for example, its parliamentary wing is in danger of splitting into two factions, one centred around the Housing Minister, Mr Walker, and the other around Mr Cavalier, the Education Minister. A compromise of sorts has been negotiated, but its chances of holding together over a period of time are not strong.

The weakening of organisational cohesion in NSW has been mirrored by even more critical ideological collapse at the Federal and State levels of the ALP. The problem here is that the high hopes of the 1960s, when left-wing policies were proclaimed as inevitable solutions, have not materialised. In fact an important conference held at Easter, which aimed at reviving the Left as an intellectual and political force, virtually conceded the irrelevance of current left-wing ideology.

This irrelevancy is a product of many different factors, with two in particular standing out. First, the changed political environment of Labor in office has exposed the Left's lack of interest in how its highly expensive demands will be funded. When Mr Brian Howe, Social Security Minister and a leading Left light, speaks of the "fetish about Budget deficits", the public's hip-pocket nerve begins to throb. Second, the New Right has emerged with a coherent and radical program that has succeeded in pulling the political centre toward its end of the spectrum.

The purpose of the Easter conference was to confront the fact that left-wing policies are yesterday's dogmas. But in the conference deliberations there was a Bourbon sense of learning nothing and forgetting nothing. The 13 "key issues" identified by the Left had a predictable, old-fashioned, occasionally negative ring to them. Admittedly there was

little sectarianism in the conference debate, an achievement for any meeting of Left groups. However, as the tension between Mr Walker and Mr Cavalier suggests, this lack of factional posturing and rancour might not be a permanent condition, in NSW at least.

After the 1984 ALP national conference, Mr Gerry Hand, an important voice of the Left in the Federal Parliament, proposed that the Left give greater attention to economic issues rather than devoting its attention to uranium and the US alliance. The Easter conference chose to ignore this advice. It decided to develop "an achievable economic strategy relevant to the people's needs", a commitment that was predictably vague and begged the question of whether the Left was capable of producing such a strategy. The consequences for the Left's

credibility of this continuing unwillingness to put forward workable policies on the real issues are obvious.

An example has been its misreading of the implications behind the removal of the ceiling on home-loan interest rates. Mr Hand has been reduced to threatening the Prime Minister with future factional fights if the Left's views are not given more attention. But this is the same Mr Hand who has described the policies of the Left as a "hotchpotch of economic ideas". The point about a cohesive economic strategy is that the commanding heights of the economy inevitably put the Left's other demands into proper perspective. Without such a strategy the Left's program becomes little more than a collection of single issues that may in time be appropriated by a greenies' party.

/9317
CSO: 4200/935

AUSTRALIA

CHANGE SOUGHT TO FOREIGN BANKS' GEARING RULE

Sydney THE SYDNEY MORNING HERALD in English 7 Apr 86 p 25

[Article by Stephen Hutcheon]

[Text]

The Australian Merchant Bankers' Association (AMBA) will ask the Federal Government this week to change the rule concerning the gearing requirements which cover loans by overseas banks to their local merchant bank subsidiaries.

That rule — spelt out in the Government publication *Australia's Foreign Investment Policy — A Guide For Investors* — says that a loan cannot be made by the overseas parent to the merchant bank subsidiary if that loan would cause the subsidiary's proportion of foreign debt funds to foreign equity funds to exceed 6:1.

It is Taxation Office policy to apply this debt:equity restriction when an overseas investor's equity in an Australian company exceeds 50 per cent.

"The policy is inappropriate for a financial institution. It is meant for an industrial/commercial corporation so as to prohibit transfer pricing," according to a senior merchant banker.

"We don't do transfer pricing in banking. It's a little bit tough to do and if we're going to do it, this would be an awkward way."

"Our parent bank would have to charge us usurious rates of interest in order to get profits transferred.

"The whole thing is not well thought out and we're taking the position that it is wrong and should be changed."

The Government's concern is that without such a rule it is possible for foreign companies to have access to taxation advantages generally not available to companies with no overseas links.

According to *Australia's Foreign Investment Policy — A Guide For Investors* : "This possibility arises because interest is a deductible expense for Australian income tax purposes and, when paid to a non-resident, may be subject to a withholding tax of 10 per cent of the interest paid, whereas dividends are not deductible for income tax purposes and, when distributed to a non-resident, are subject to a 30 per cent withholding tax (normally reduced to 15 per cent if a double tax agreement applies)."

The argument is that in the absence of the ratio there would be no legislative provision which would prevent a foreign company from funding its Australian subsidiary.

with a very small amount of equity and a very large amount of debt.

In doing so it effectively would provide a means of taking the profits from the Australian operations out of the country in the form of payments of interest on the debt.

Although the foreign-owned merchant banks say the rule does not affect directly their operations, it can inhibit their ability to compete.

"Our competitors, principally the banks and Australian-owned merchant banks, don't have this problem and we don't understand why we should," the merchant bank executive said.

Coupled with the general complaint is one that concerns a recent re-writing of the guidelines which states more emphatically that parental guarantees are to be included in calculating the ratio.

The previous guidelines did not spell this out, according to the merchant banks, although Treasury argues that the change in

wording has not altered its interpretation of the condition.

"The prior policy statement didn't make it clear that parental guarantees were included as part of the debt arrangement.

"We would argue in our submission that these guarantees have become so commonplace internationally that it would be wrong to penalise such arrangements," said the executive director of AMBA, Mr John Hall.

It appears that a number of foreign-owned merchant banks have deviated from the "new" conditions and, as a result, several have been receiving polite reminders from Treasury.

These letters remind the merchant banks that they should observe the gearing rules they were asked to comply with as a condition of the approval given by the Foreign Investment Review Board to establish local operations.

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CSO: 4200/935

AUSTRALIA

OFFICIALS QUESTION EFFECTIVENESS OF DEVALUATION

Sydney THE SYDNEY MORNING HERALD in English 9 Apr 86 p 1

[Article by Peter Hartcher]

[Text]

Two of Australia's most senior public servants questioned yesterday the centrepiece of the Federal Government's attempts to arrest the national trade imbalance.

The director of the Bureau of Industry Economics, Professor Brian Johns, released the results of a survey which showed that the majority of Australian manufacturers had derived no competitive advantage from the 25 per cent devaluation of the Australian dollar.

And only 30 per cent of the 102 companies surveyed by the bureau expected to hold any devaluation-induced competitive advantage beyond the middle of this year.

This appears to dash the hopes of the Treasurer, Mr Keating, that the devaluation, by making Australian goods cheaper overseas, would bestow a major, long-term advantage to the majority of Australian manufacturers. He will have the consolation, however, that 30 per cent is better than none.

And the secretary of the Department of Industry, Technology and Commerce, Dr David Charles,

said that his observations suggested that although many companies saw increased opportunities to export, they were not yet prepared to invest in the extra plant necessary to make use of these opportunities.

The survey by the Bureau of Industry Economics found that, for the majority of companies, any competitive advantage brought about by the devaluation had been wiped out by the higher cost of the imports used to make their products.

The devaluation of the dollar, which occurred after it was floated, was widely expected to give an unprecedented, one-off "kick-start" to Australian exporters, and to the local companies which compete against imports in the Australian market — this was to be the J-curve effect.

Such a kick-start is necessary to correct the \$12-billion-a-year deficiency in Australian exports compared to imports. This trade imbalance in turn weakens the value of the dollar, which has recently been artificially supported by high interest rates.

However, the comments of

Professor Johns and Dr Charles throw into doubt both the readiness of Australian manufacturers to exploit the devaluation, and the number of companies who can expect to gain any material benefit.

Professor Johns said: "The general conclusion that can be drawn from the survey ... is that import-competing manufacturers in many Australian industries will gain a smaller relative price advantage from the depreciation than a superficial examination of the exchange rate changes might suggest.

"This is not only because the input costs of local manufacturers will rise because of the depreciation ... but also because in many industries importers of competitive products appear not to have passed on so far the full increase in the import prices that they are being charged by their overseas suppliers."

The companies surveyed reported that the prices of imported materials had risen by 26 per cent during 1985, and further increases at the rate of 11 per cent per annum are expected in the current half-year.

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AUSTRALIA

BROKEN HILL PROPRIETARY CLOSES MINES, OBTAINS FINANCING HELP

Layoff of 1500 Shocks Town

Brisbane THE COURIER MAIL in English 8 Apr 86 p 1

[Text]

SYDNEY.— The far western New South Wales town of Broken Hill has been shocked by the standing down of 1500 workers from three mines closed at midnight last night.

The closures are a serious blow to the town of 25,000, which has been at the forefront of union power in Australia for generations.

The stand-downs by the CRA Limited subsidiary, Australian Mining and Smelting Limited, are expected to last until at least April 18 when the company will review the situation.

Until then, the mine would be maintained by a handful of workers plus a number of apprentices, the company said last night. A clerical staff of 1600 would remain at work.

But company industrial relations officer Mr Rob Jones last night said there were no guaran-

tees retrenchments would not follow.

The stand-downs follow the failure of negotiations involving the company and three unions in the Barrier Industrial Council over proposed changes to work practices.

Early last month, the company said it would close down the mines because of falling world prices for silver, lead and zinc.

After moves by the New South Wales Government, the company began talks with the unions in the hope the establishment of extra shifts would allow it to cut costs and boost metal production, cushioning the effects of the slump.

Major concessions, including the establishment of some weekend shifts, were agreed to by a mass meeting of workers over the weekend.

But at a meeting with union of-

ficials yesterday, the company general manager, Mr Bryan Drew, rejected these concessions as inadequate.

Mr Drew said it was disappointing that after weeks of intense discussions, union officials seemed to have either misunderstood or ignored the harsh realities facing the mines.

He said he had offered the unions a way of achieving a position for the mines to go close to covering operating costs, but it had been flung back in his face.

"I will now have to find another way to keep the mines operating at some level which can go close to break even," he said.

The Barrier Industrial Council president, Mr Bill O'Neil, said the stand-downs were illegal. He feared major retrenchments would follow.

BHP Taps Eurodollars

Sydney THE SYDNEY MORNING HERALD in English 9 Apr 86 p 37

[Text]

Broken Hill Proprietary Co Ltd , on behalf of a number of participants in the Central Queensland Coal Associates and Gregory joint ventures, successfully has refinanced the venture at lower rates via a Eurodollar floating rate note tranche of the original April 1984 funding.

The participants are Queensland Coal Trust, Pancontinental Mining Ltd; and two BHP subsidiaries, Utah Development Co Ltd and BHP Minerals Ltd.

Both the old issues were guaranteed by the Bank of Tokyo Ltd and were lead managed by Credit Suisse First Boston and Bank of Tokyo International.

"By taking advantage of the substantial improvement in the terms now available in the Euromarkets, Queensland Coal Finance Ltd (which is the actual company borrowing the funds) achieved a substantial reduction in the margin over LIBOR (London inter-bank ordinary rate) it will pay," BHP's treasurer, Mr Graeme McGregor, said yesterday.

The new issue of up to \$US400 million (\$571 million) matures in 1996 and carries interest rate of only 0.5 per cent over the six-month LIBOR.

Dawkins' 'Conflict of Interest'

Sydney THE SYDNEY MORNING HERALD in English 11 Apr 86 p 10

[Editorial: "Dawkins Caught Out Again"]

[Text]

THE CRUCIAL point about the committee of ministers which interviewed Mr Holmes à Court and BHP is that such an exercise is fairly rare. Interventions by governments into the way big business conducts itself are normally at a more general level. But here was the Government deciding between the interests of two companies, while their shareholders waited with bated breath. Everything about this extraordinary case should have alerted Mr Dawkins, the Trade Minister, of the need to avoid any possibility of a conflict of interest, no matter how remote.

Mr Dawkins's carelessness, therefore, in not trying to find out the extent of his mother's extensive holdings in Mr Robert Holmes à Court's Bell Group is difficult to understand. It has certainly damaged his political credibility. Mr Dawkins, after all, had raised the question of conflict of interest himself before the committee began its deliberations. He also was aware, as he has admitted, that his mother had some shares in one of Mr

Holmes à Court's major companies. Mr Wilson Tuckey demonstrated with his embarrassing questions that the nature of these shares and their volume was not hard to find out. Why, then, did Mr Dawkins sit back and do nothing?

During yesterday's boisterous Question Time in the Federal Parliament, Mr Dawkins tried to give an explanation of his behaviour. Frankly, he was not convincing. He blamed his office for issuing conflicting stories about the extent of his knowledge about his mother's shareholdings. When he was asked, he said, he gave an account that he has not changed. But surely he should have made himself clear to his staff before they began to speak for him? He then went on to argue that his ministerial responsibilities required him to declare the interests of his "immediate family", an entity which involves spouses and dependent children only. Mr Hawke, quoting from Cabinet guidelines, supported Mr Dawkins in this interpretation.

Mr Dawkins also raised a more general argument: Where will it all end, he asked, if ministers are expected to know about the financial interests of their mothers? Will close friends be next? As far as the regulations are concerned, the answer is that they won't be. But avoiding conflict of interest, or the appearance of it, requires more than merely keeping to the letter of the regulations and guidelines. The spirit of the regulations has to be acknowledged as well. Common sense suggests that the public will be outraged by a minister taking a leading role in a decision which could financially advantage his mother in a significant way. A judge who found himself in a similar situation to Mr Dawkins would have found out the exact nature

of his mother's shares and would have excused himself from the case.

In October, 1983, a question from Mr Tuckey revealed that Mr Dawkins had tenuous (and innocent) links with a company used for tax evasion. As Minister for Finance at the time, and a stern and relentless critic of "bottom of the harbour" tax cheats, Mr Dawkins was remarkably careless to allow himself to be involved in any way with the company. To dismiss as "irrelevant" the matter of his mother's shareholdings in the Bell Group shows a similar lack of political judgment. Mr Dawkins will survive the Opposition's challenge to his position. But his aspirations for higher honours in his own party have received a second, possibly fatal, blow.

/9317
CSO: 4200/935

AUSTRALIA

BANK PROJECTS 20 PERCENT FARM FAILURE

Brisbane THE COURIER MAIL in English 7 Apr 86 p 1

[Text]

A MAJOR bank has claimed that 20 percent of Australian farmers will find it difficult to stay viable in the long term.

The National Australia Bank also predicted 7 percent of farmers would be lucky to survive in the short term.

The bank's monthly report on the economy emphasised the need for structural change to Australian agriculture.

Federal Cabinet will meet this morning to again discuss the farm package proposed after four months' work by the Primary Industry Minister, Mr Kerin.

A final decision is expected on what help the Government will give rural industry. Mr Kerin is expected to announce this on April 15.

The National Bank said neglect of structural change had been a major oversight in the rural debate. It recommended action at three levels to prevent more farms becoming unviable.

First, it said, there was a need for on-farm adjustment based on innovation and improved management, but diversifying might be a problem for farmers with high levels of debt.

Other areas for structural change included transportation, handling, storage, processing and marketing of rural products which soaked up 50 percent of the value of farm production in off-farm costs.

The Government could assist by continuing to reduce tariff protection and by removing unnecessary market regulation.

Mr Kerin has said publicly he will not look at "band-aid" measures for the industry and wants structural changes to help the industry in the long term. He is believed to want some lifting of tariffs on farm inputs, including chemicals.

Cabinet also has been asked to look at a restructuring of the farm quarantining proposal, which has not yet been put to Parliament. There may also be some interest rate relief and a change in the Rural Adjustment Scheme to help farmers off the land if they are not viable.

The National Bank joined the National Farmers Federation in warning against "band-aid" assistance that would place disincentives in the way of restructuring.

Among measures the bank warned against was increasing the activities of rural reconstruction authorities. This should be treated with extreme caution, it said.

Because of the importance of agriculture as an export income-earner and a source of employment, it was in the best interests of government to support continued research to improve rural productivity and competitiveness. Strong promotion programs were required and needed to be supported, the bank said.

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CSO: 4200/935

'TALK' COLUMN STEPS UP CRITICISM OF THAI LEADERSHIP

Sitthi Scored on Border Visit

Vientiane PASASON in Lao 11 Mar 86 p 3

["Talk " Column]

[Text] Last week General Siddhi Savetsila, foreign minister of Thailand, went to survey the border provinces adjacent to Laos such as Udon and Nongkai. Mr Siddhi said that the purpose of his trip was "to exchange views with the local authorities concerning security and trade with Laos." However, this was merely an excuse to cover up their well-organized and well-planned secret with ill intentions toward Laos under the supervision of the Beijing expansionists and hegemonists. Everyone knows well that Mr Siddhi Savetsila has been playing the lead role in a Beijing produced farce. For example, since he became big and famous as deputy prime minister he has become even more aggressive regardless of the dissatisfaction of the Thai people and the conflict within the party surrounding him.

Superficially, Siddhi Savetsila's renaissance could be seen as only a campaign for support and to seek ways to modify the differences with the representatives in the north who now have less trust in him as a result of the disunity within the Social Action Party. However, if we examine the problem carefully we will see very clearly the purpose of the trip. While Siddhi Savetsila was visiting Nongkhai the radio station in Nongkhai broadcasted that at the Lao border there are only alien soldiers who threaten the Thai people. The broadcast went further and slandered Vietnam, accusing it of occupying its neighboring country along with many thousands of other changes. But the real question is, who is the real threat? Everyone now knows whose military forces and war equipment are now aimed at the LPDR. Thai military officials including Athit Kamlong-ek, the supreme commander and RTA commander of Thailand himself, ordered troops in this region to be on continual alert. Because of this fabrication and the creation of an atmosphere of war along the Thai-Lao border, Siddhi Savetsila got what he wanted on his last visit to Beijing, which was confirmation from Beijing "to provide timely assistance to Thailand if it is invaded, etc.,," and a promise to advance him in the Thai political arena by ulterior means. Thus, Siddhi's survey of the Thai-Lao border provinces was nothing more than a way to campaign and fabricate stories in order to increase the assistance and cooperation between the Beijing reactionaries and the

ultrarightist reactionaries in the Thai power-holding clique. As everyone knows well, because of the interference of the international reactionaries in the domestic affairs of Thailand, Siddhi Savetsila thus gained an evil means to advance his role in the Thai power-holding clique as was done many times before. Thus, this true situation confirms that this survey of the Thai-Lao border provinces was only a new act of Siddhi Savetsila, the second leading man of the billion-baht movie of Beijing. However, the situation in Thailand now is very different from what it was before. The more the ultrarightist reactionaries in the Thai power-holding clique, for example, Mr Siddhi Savetsila, struggle with the policy, which creates tension in the region like a poisonous snake against the Thai and Lao peoples, the faster will they be led to ruin.

Prasong, Sitthi Savetsila Called Liars

Vientiane PASASON in Lao 15 Mar 86 p 3

["Talk" column by Sai Boua: "The True Reasons for the Ultrarightests' Visit to the Northeast"]

[Text] There was news recently in the Thai mass media according to which in early March the known representatives of the ultrarightist reactionaries in the Thai power-holding clique, Prasong Soonsiri, secretary of the National Security Council of Thailand, and Siddhi Savetsila, deputy prime minister and also foreign minister, pretended to engage in a visit to the northeast provinces of Thailand, especially Udon and Nongkhai whose borders adjoin Laos. The purpose was said to be to ameliorate the unhappiness of the people in this region who are already fed up with them.

This is probably nothing more than the implementation of the promises that Prime Minister Prem Tinsulanonda made to the people in the northeast at the meeting of the so-called Joint State and Private-Sector Committee, which ended on 26 January in the Khonkaen Hotel. The main idea of the meeting was to increase trade with Laos, in which the Thai northeastern provinces proposed that more trade doors be opened than before to gain trade benefits for their agricultural production and also to exchange communications and visits with each other, which have been a fine heritage since ancient times. It was clearly proven that whenever the border is closed off or trade with Laos is banned, the first people to lose are the people in the northeast of Thailand.

Consequently, these two people who are representatives of the Chinese reactionaries and the CIA could neither eat nor sleep, and thus they have decided to solve the situation on their own. However, their way of solving the problem goes in the opposite direction, because instead of opening the door they are shutting and bolting it. After the meeting discussed and exchanged ideas with the sections concerned, Mr Siddhi Savetsila said in the interview: "Do not expect too much from trade with Laos, and Laos does not have sufficient money to buy products from Thailand, etc."

These words left Thai news reporters who know the truth wondering, because since the Thai reactionary leading group had banned the export of a number of

goods to Laos claiming they were strategic goods, Thailand lost at least 400 million in income. Also, there was no market for the products of the Thai farmers and sometimes they even suggested that the people in the northeast stop growing rice and grow other crops instead. The fact is that forbidding farmers from growing rice is the same as forbidding them from consuming rice. Another is that everyone knows well that Laos has always been sincere in proposing government-level talks for the purpose of improving Lao-Thai relations, including trade matters. Therefore, why do Siddhi Savetsila and Prasong Soonsiri shamelessly lie to themselves and to others by saying that Laos does not want to trade with Thailand?

Thus, we can say that the visit to the provinces next to Laos of these two people was to deceive the people in the northeast once more, if it were not for the purpose of finding the solution for Thai goods.

Criticism of Prasong Continues

Vientiane PASASON in Lao 17 Mar 86 pp 3, 4

["Talk" column: "Prasong Soonsiri Who Spits at the Sky"]

[Text] Actually we do not really want to talk about anyone's affairs, for in Thailand when Prasong Soonsiri's name is mentioned the people in Thailand immediately make a face as if they had just smelled something rotten. The reason we are talking about the Prasong issue is because we want you to know the reason why the Thai people are fed up with him.

Prasong was born in Ban Pong, Ban Pong District, Ratchburi Province, in Thailand, where there are many Thai people of Lao-Vientiane lineage and a number of Mon lineage. However, he has neither Thai nor Mon ancestry. He works in the government and his most recent rank is squadron leader or fourth rank in the Directorate of Aeronautical Engineering. When Siddhi Savetsila was appointed secretary of the National Security Council, Prasong was then called in to serve as his assistant and finally was promoted to replace Siddhi in the manner in which a student would succeed his master. For whatever unfortunate reasons, Prasong Soonsiri became ill with a mental disorder and insomnia. He can sleep at most 2 hours a night, causing his health to be poor. As for his personal behavior, Prasong often puts on airs and uses expensive pipes even though he does not smoke, and he loves to display his know-it-all ability on government affairs. He discusses domestic and foreign policies so often that the foreign committee has decided to discuss it and has assailed him in front of Prime Minister Prem. Moreover, many calls from many organizations have been sounded to fire Prasong from his post as secretary of the National Security Council because of his irresponsibility. Thus, the people have given him the nickname "Mr Razor Tongue."

Prasong believes that the LPDR and all socialist countries are life-and-death enemies. In the past 4-5 years he was willing to sell himself shamelessly to the international reactionaries and is determinedly against us. Whenever relations between Thailand and Laos improve, Prasong will immediately move to oppose them according to his master's command aimed at maintaining the

confrontation between Laos and Thailand and between the three nations in Indochina and ASEAN. For example, when His Excellency General Kriangsak Chamanan was leading a delegation of the Thai parliament on a good-will visit to Vientiane Capital, Prasong stated to the mass media at Don Meuang Airport that "they can go ahead and do whatever they want. As long as the Lao-Thai border issue is not discussed again Lao-Thai relations will never be better." This year, while the Thai peace movement has been accelerating its demands for the government to change its policy toward the LPDR, Vietnam, and other socialist nations, Prasong along with his leader, who are the minions of the expansionists and hegemonists, has gone insanely against the peace movement in an effort to get rid of the opinions of those who want Thailand to stop its warmongering policy and to start trading with its neighboring countries. The latest event was on 9 March when Prasong made a statement slandering the LPDR again since it "produces opium and heroin...."

We conclude from all these actions that it is very clear that the nickname the Thai people have given him is very suitable indeed.

As for the issue of addictive drugs, Prasong's former boss knows better than anyone else what they are produced in Thailand. Using photographs taken from satellites, they are able to locate immediately where the opium is. It is a basic policy of the LPDR to forbid drugs absolutely from being produced, distributed, and consumed. Those who were drug addicts under the old regime were all treated and have become good citizens. Therefore, Prasong should look out for his own skin. It is the Thai ultrarightist reactionaries themselves who supported the routed Chiang Kai Shek 93rd Division and the SUA forces by allowing them to settle in Chiang Mai Province along the Thai-Burmese border in order to grow opium and produce heroin for sale, to poison the people in Thailand and in the capitalist world, and to gain wealth seriously affects the American people, the U.S. government then decided to bribe the Thai ultrarightist reactionaries with millions of dollars to stop producing opium and heroin. The project was called the "drug suppression unit." However, it ended up like pouring water into sand in May. The Thai ultrarightist reactionaries became twice as wealthy. They are the ones who have been profiting from the money of the United States and from the distribution of drugs. Heroin-producing plants have spread to the south of Thailand. Conspicuous arrests in the north, in Bangkok, and in the south occur daily.

In order to save face and also to fulfill the desire of the international reactionaries who are his master, Prasong lowered himself by slandering Laos and Vietnam without thinking carefully. He forgot to tell his men about it in advance. There were two stories about the same matter which disclosed their tricks. For example, on 25 February Lieutenant General Ruamsak Chaikomin, army commander of the Third Region (the north) of Thailand, stated to the mass media that "there are now over 500,000 mountain tribespeople living in Thailand, and most of them grow opium...." Wow! Why didn't the general tell Prasong but [instead] let him "spit in the air and have it end up on his own face!" This is the reason why Thailand is not stable like other countries because its leaders have appointed a mentally unbalanced person to be secretary of the National Security Council.

Drug Traffic

Vientiane PASASON in Lao 14 Mar 86 pp 3, 4

["Talk" column by Keo Souvan: "Groundless Accusation"]

[Excerpts] All of the ultrarightist reactionaries in the Thai power-holding clique are accustomed to threats, accusations, deceptions, and distortions. Here Mr Prasong Soonsiri, who is the secretary of the Security Council, or more accurately the council for creating unrest in Thailand, is the most skillful in this manner.

With the Thai economy depressed as never before and facing the demands of the people, businessmen, and politicians in Thailand that the government change its incorrect domestic and foreign policies, for example, its policies on trade with the LPDR and other socialist nations which are important and stable markets, by hoping to push his own responsibility for economic improvement aside and to turn the interest of the people in Thailand to a new problem Prasong Soonsiri made himself known as being against such policies by saying that, "Laos has no money to buy Thai goods. The Lao leaders do not want trade with Thailand." "The neighboring countries in Indochina are poor, do not have money, and are in debt up to their necks...." To make the accusation seem more serious, Prasong Soonsiri also accused Laos of producing and distributing opium and heroin, even though this issue is widely known in Thailand and in some Western countries.

The accusation by Prasong Soonsiri is groundless and is not enough to make the Thai people believe in him because in reality Prasong does not want to talk about the economic and social issues in Thailand for fear that his own unclean hands will be revealed and that he will have even more to face.

There is no one in the world who does not know that the Golden Triangle is the source for opium growing and heroin production backed by influential Thai groups and the U.S. secret agency, the CIA. Therefore, how the opium and heroin flow into and out of the country was clearly shown long ago. Now in Thailand the number of drug addicts has increased so much that there are songs warning adults to take good care of children for fear that they might become drug victims. In Bangkok alone there are as many as 400,000 children who are drug addicts. How many would there be if both adults and children nationwide were included? Therefore, even though Prasong Soonsiri worked until he sweat to accuse others, the Thai people who know the truth about it only laugh at him. If he is really capable, why doesn't he solve the problem of the economic and social situation in Thailand now, because now Thailand is facing thousands of problems...so many problems that nothing can guarantee so-called stability at all.

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CSO: 4206/88

MALAYSIA

KOON SWAN REITERATES FULL SUPPORT FOR MAHATHIR

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 3 Mar 86 p 1

[Text] Tan Koon Swan, president of the Malaysian Chinese Association [MCA], today reiterated his full support for the leadership of Prime Minister Datuk Sri Dr Mahathir and other National Front figures.

Tan was presiding over a ceremony marking the 37th founding anniversary of his party. Prime Minister Dr Mahathir was present at the gathering in Kuala Lumpur.

Tan stated: "The MCA is following with interest our country's general conditions. We have never before been confronted with so many problems, nor has our national economy been so sluggish as it is today. We must ease the mounting feelings of dissatisfaction and restlessness of the people and at the same time speedily restore the confidence of investors from crumbling down; otherwise, our economy will continue to weaken, the number of the unemployed will increase by the day and our political situation will be seriously affected."

"Under such an abnormal situation, and as member of the National Front, my party will adopt an upright and frank attitude in handling all problems. We must put our national interest above all else, instead of overstressing benefits of a certain nationality, because if our country cannot exist, racial interests will also go down the drain."

Tan Koon Swan continued: "At the present moment, the government and all people should undergo a thorough self-examination. We must tell the truth and conduct our affairs openly but not stealthily. We must be brave enough to face the reality and seek out the roots of the problems, instead of avoiding the issues."

Some 15,000 MCA members had converged from all parts of the country to attend this celebration. Member parties of the National Front and various Chinese organizations also sent delegates to the gathering. Among the Chinese delegates were Khoo Siang Chee, Wong Tok Chai and Soo Thian Beng.

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CSO: 4205/14

MALAYSIA

POSSIBLE CONSEQUENCES OF PAS TAKEOVER COMMUNICATED

Universities Under Moslem Policy

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 9 Mar 86 p 18

[Text] M. Nakhaie, deputy president of the Islamic Party [PAS], indicated that the moment his party is in power, it will permit the founding of private universities.

He said that these private universities may use the national language, Chinese or English as their medium of teaching, but they must abide by the state education policy to be revised by the Islamic Party.

He added that these private universities to be established need not bear the name of an "independent" institution.

The PAS deputy president made these remarks during a dialogue with representatives of Chinese mass organizations at Rainbow Gardens, Bukit Bharu today.

He said that if the PAS becomes the ruling party, all aspirations and problems of the Chinese community may be channeled not only through Parliament and state assemblies, but also through a joint council made up of various Chinese organizations.

He continued that its party constitution will be amended in a forthcoming PAS convention, including the provisions governing membership and language and literature stipulated in Article 7.

Nakhaie said the party's constitutional amendment concerning the provisions for "objectives of the party's struggle," which was passed at the 1983 congress, was long ago submitted to the Office of the Registrar for Civic Associations, but the case has not been handled up to now.

Due to lack of time, many problems could not be aired at the dialogue. However, PAS leaders will answer the questions at a mass meeting to be held at 8 pm tonight.

More than 100 persons attended the dialogue as auditors today.

Warning to Ethnic Chinese

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 10 Mar 86 p 21

[Text] The minister of housing and local government, Chan Siang Sun, censured the reformed Islamic Party [PAS] for following the line of Khomeini of Iran and plotting to establish a fanatic Islamic state through brute force.

He said that the extremist attitude of PAS' members may be shown from the way they dress and their hostile attitude toward Muslims who are not members of the party.

He added that in certain areas in Kelantan and Trengganu states, PAS members even refuse to conduct their prayers together with Muslims who are members of the United Malays National Organization [UMNO] in one same mosque.

Consequently, Datuk Chan pointed out, unless ethnic Chinese are willing to be converted to Islamism and to join PAS, they should not expect a just treatment, even though PAS may win the support of the majority of the Chinese and win the right to govern the country.

Datuk Chan made these remarks at a banquet organized by the inhabitants of a certain locality in celebration of his appointment as minister of housing and local government.

Datuk Chan was accompanied by Tan Kong Chye, political secretary; Poh Yao Chye, a state assemblyman; Teng Fong Seng, press officer and a number of local councilmen. Datuk Chan and others of his party were enthusiastically welcomed when they arrived at the venue of the celebration.

The minister also criticized Democratic Action Party [DAP] which professes to represent the interests of various nationalities. He said the DAP on the one hand lustily shouts to safeguard the interests of the Chinese people, while keeping in contact with the PAS and together plotting to topple the Chinese-based Malaysian Chinese Association [MCA] on the other.

He found fault with the DAP for uttering a lot of nonsensical talk without putting forward any plans to resolve the difficulties. The result is that DAP is "unable to accomplish anything but liable to spoil everything."

Datuk Chan appealed to Chinese compatriots to understand the fact that MCA is the only political party which represents the Chinese people and that any Chinese problem or local development must go through MCA's struggle in order to achieve a solution.

MALAYSIA

CHINESE TRADE DELEGATION CHIEF ON DIRECT TRADE, JOINT VENTURES

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 11 Mar 86 p 4

[Text] Guo Dongbo, leader of the Chinese Trade Delegation, said that the present China-Malaysian trade relations through a third country are far from ideal and considered that trade transactions should be directly conducted between businessmen of the two countries concerned.

As a matter of fact, Mr Guo said, this is the main problem to be discussed by the visiting trade delegation from China.

Guo Dongbo was responding to a question brought up by Datuk Soo Han Eng, president of the Penang Chinese Chamber of Commerce, when Mr Guo was visiting Penang's Chief Minister Dr Lim Chong Eu at the Penang Development Organization and listening to a briefing on Penang's economic development.

At a banquet welcoming the Chinese Trade Delegation last night, Datuk Soo proposed that both Malaysian and PRC governments adopt measures for direct trading without transshipment from third countries, because indirect trade tends to hinder the development of bilateral trade between the two countries.

Asked to comment on China's being invited to take part in a joint venture in Penang, Mr Guo said that his delegation would have to forward this suggestion to the proper authorities upon returning to China, and an official decision on the matter would be made in due course.

On the potentiality of cooperation in joint capitalization, Mr Guo said that Malaysia may make good use of local raw materials while China provides technology to carry out the collaboration.

He indicated that after his visit to Malaysia, he would carry back all information and views to his country to promote the bilateral trade relations for the days to come.

9300/12795
CSO: 4205/14

PHILIPPINES

BUSINESSMEN SAY SLUMP CONTINUES, POLITICAL SIDE BRIGHTER

Manila BUSINESS DAY in English 7 Apr 86 p 2

[Text]

Economic activity remains "nil" although political problems have eased, businessmen said over the weekend.

This is because business is still faced with high operating costs and poor markets.

"What we have now is freedom, and hope that we can get started soon (on the way to recovery)," said Jose Luis Yulo, chairman of the committee on regional development of the Philippine Chamber of Commerce and Industry (PCCI).

Businessmen said the economic problems of the Marcos years continue to plague industry, and unless the new administration takes steps to ease them, efforts toward economic recovery, will fail.

They said capacity utilization has gone down to about 50% mainly because the domestic market has been weakened by the erosion of purchasing power and the increase in prices.

PCCI industry committee chairman, Meneleo Carlos said that if the present administration could immediately address these problems, businesses would not be far from resuming their normal operations.

Carlos cited for example that the government's recent decision to slash fuel prices has somehow encouraged consumers to begin buying more.

However, he said, if the government does not act on the new sales tax scheme, the rise in consumer spending is unlikely to be sustained.

On the whole, however, businessmen believe that the private sector has a better chance this year than before at recovery because of the confidence the Aquino administration has inspired both here and abroad.

They also said they are generally satisfied with the President's Cabinet appointments, many of whom are from the private sector and are therefore "in a good position" to know the problems of business.

/9317

CSO: 4200/945

PHILIPPINES

COLUMNIST VIEWS ONGPIN'S 'SELF-DESTRUCT MECHANISM'

Manila BUSINESS DAY in English 7 Apr 86 p 5

[Commentary by Gaby Manalac: "2nd Thoughts on Ongpin"]

[Text]

Finance Minister Jaime Ongpin is either a masochist or he is not very bright. Frankly, I do not think he intended to set off a self-destruct mechanism when he admitted to newsmen last Thursday that Kokoy Romualdez controlled Benguet Corporation of which he was president for 12 years.

Quite likely, Ongpin intended to establish that he had exercised a professional role in the corporation and that he had no personal relationship whatsoever with Kokoy. I think that is a very valid position to take, particularly since owners other than Kokoy represented some 40% of the corporation, certainly a very substantial minority.

STRICTLY LEGIT. Besides, the corporation was a legitimate undertaking which employed hundreds of workers and which earned a tremendous amount of dollars for the country.

So what is wrong with that? Absolutely nothing at all. If, however, the corporation was engaged in illegal activities such as tax evasion, dollar salting, smuggling, or other such criminal acts, then certainly Ongpin would have to answer for his participation in such a company even if it were not controlled by Kokoy.

NOTHING WRONG. Or, if Ongpin had personal knowledge that the money used by Kokoy to purchase his shares of the company came from illegal sources, such as gambling, drugs, or prostitution, then Ongpin would have had a moral duty to refuse to work for such a corporation. But the money came from bank loans, so again there was absolutely nothing wrong with that.

Just to digress a bit, I guess the same standard should apply in the case of Bienvenido Tan Jr. who has been a nominee for former Energy Minister Geronimo Velasco's various investments. As long as Tan was a nominee in legitimate ventures and so long as he was convinced that the funds used for the purchase of such stock investments did not come from illegal sources or activities, I cannot see how there can be anything wrong with Tan's actuations in behalf of Velasco.

IMPLICATION. But back to Ongpin. What made his otherwise legitimate public disclosure of Benguet's ownership a self-destructive announcement was his strongly implied avowal that if he had known for sure that Kokoy controlled the company, he would not have accepted the presidency. He also admitted that he did not want to know about it and that the less he knew, the better.

This smacks of mental dishonesty because I cannot conceive of any manager worth his salt who would accept a top position in a company without knowing who the owners were. Besides, the entire business community knew about it and two company directors, Cesar Zalamea and Jovencio Cinco, have since publicly stated that Ongpin was properly informed of the company's ownership.

NAIVE? Ongpin himself admitted that Kokoy had on occasion called him about the company's purchase of a condominium in the US and of possibly employing some of his people, including one of his sons. Even without documentary proof, Ongpin would have been unbelievably naive if he could not have concluded from those conversations that Kokoy was in command.

As Cinco said, being the company's president, Ongpin would have been quite stupid if he went through 12 years of near-absolute managerial control without knowing who the owners were. And now it turns out

Ongpin was even in on the New York negotiations for the turnover of shares to Kokoy.

AGAIN. Thus, it can also be logically assumed that Ongpin knew as well that Kokoy practically controlled Philippine Commercial International Bank (PCIB) when Zalamea invited him to be one of its directors. That was in 1984 and just about everybody then, even the non-businessmen, knew of Kokoy's participation in PCIB.

Under those circumstances, I cannot see how Ongpin can justify his continued service as finance minister. He has proven himself mentally dishonest, ironically by his own pronouncements. I think he should resign irrevocably, before Madame Aquino is finally forced to relieve him as finance minister.

INTERESTING. Ongpin should at least save Madame Aquino the embarrassment of making our international creditors believe that she has deliberately sent them a mentally dishonest negotiator.

On second thought, however, that just might produce some very interesting possibilities.

/9317
CSO: 4200/945

PHILIPPINES

MNLF FACTION DENIES PLANTING BOMB IN AQUINO BUILDING

HK221024 Hong Kong AFP in English 0958 GMT 22 Apr 86

[Text] Manila, April 22 (AFP)--A faction of the Moro National Liberation Front (MNLF) Tuesday denied any part in an aborted bomb attack on President Corazon Aquino's campaign headquarters.

"If we were the ones who planted it, it would have exploded," said Macapanton Abbas, political affairs chairman of a pro-MNLF faction, referring to a two-kilo (4.4-pound) dynamite bomb found and defused by police at the Cojuangco building late Sunday.

"We are not involved in Metro Manila. But when we decide to do it you will see it will be effective," Mr Abbas told a news conference. He speculated that the group which claimed responsibility could be masquerading as Moslem.

A shadowy group calling itself Moro al Fatah claimed responsibility for planting the bomb in the seven-storey building in the Makati District, which served as temporary seat of the Philippine Government and Mrs Aquino's campaign office.

In an anonymous telephone call to AGENCE FRANCE-PRESSE, the rebel group had said certain government officials were an "obstacle to national unity and Bangsa Moro autonomy".

Bangsa Moro is the term used for the country's five-million-strong Moslem minority, concentrated in Mindanao and other southern islands.

Mr Abbas, who was given a safe-conduct pass to return home from exile for talks with the Philippine Government, criticized Mrs Aquino for her alleged "indecision" on the MNLF's demand for Moslem autonomy in the south.

He said an agreement signed in Tripoli in 1976 granting self government to 13 southern provinces should be granted before a new constitution was ratified.

"If the Tripoli Agreement were to be abrogated by the Aquino government or if it refused to negotiate, the MNLF will not be bound by that agreement anymore and would be free to pursue its own commitment to autonomy," Mr Abbas warned.

The government of former President Ferdinand Marcos agreed to give limited autonomy to two Moslem-populated areas in Mindanao in 1976, four years after the MNLF launched a guerrilla campaign for a separate Moslem state.

The truce failed soon afterward and hostilities continued but with the MNLF breaking up into three factions, two of which favored autonomy.

Mr Abbas said a ceasefire was being enforced by a joint MNLF-military panel in the southern provinces.

Mr Abbas said he was leaving for Jiddah on Wednesday for consultations with the organization of Islamic Conference while six other MNLF guerrilla commanders who accompanied him would return to exile in Kuala Lumpur and Sabah.

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CSO: 5600/4350

PHILIPPINES

VERITAS EXAMINES PLIGHT OF NEWLY-RELEASED DETAINEES

Quezon City VERITAS in English 3 Apr 86 pp 14, 15

[Article by Patricia L. Adversario: "Living in Uncertainty"]

[Text]

SAGANI Serrano's biodata would read something like this: Alleged Secretary of the National Commission on Mass Movement of the CPP-NDF; seven years detainee.

With freedom, suddenly, he finds himself a full-time husband, father, breadwinner, job-hunter and taxpayer. Sad to say, his qualifications seem also suddenly far too inadequate.

After the euphoria of "freedom at last," the reunions, the interviews, and the speaking engagements, the cold practical truth sinks in: How can he, an ex-detainee keep not only his, but his family's body and soul together?

"I was not prepared for this," confides Serrano as he spreads both his hands. "I could not believe I have attained my freedom this easy."

He thoughtfully purses his lips while he talks about taking part in making decisions in the family now. "I have two children and they're both in their early elementary grades. It's a good thing they're both on a scholarship."

"For most of us," Serrano continues, "the immediate concern is making both ends meet. In a way, we're luckier. My wife's parents have a house in Manila and they've set aside a room for my family. At least they're sympathetic, but I feel more for those who have lesser means."

In Bataan, relates another ex-detainee, most of those arrested by the regime come from the poorest folk: small farmers and fishermen, who were forced to sell their homes and possessions to keep their families alive during their incarceration. Now that they're free, they have no homes to go back to. Some are now staying

with friends, in-laws and other relatives, "but we can't live on sympathy and other people's means forever," says one ex-detainee.

The more "famous" political detainees are luckier for they find themselves deluged with offers of lecture engagement. Lt. Victor Corpuz admits to being dazed by the number of offers he has received from his former classmates in college. Jose Ma. Sison is looking forward to a teaching job this summer at the Asian Center in UP and a lecture tour in the United States afterwards. But lesser-known names have not been as lucky; for them even jobs are hard to come by. Some who need material and medical help do not even have enough transport to take them to the agencies where they can avail of help. According to an ex-detainee from La Union who came to the Medical Action Group in Manila for free treatment, his fellow ex-detainees back in the province are also in need of help but could not make the trip for lack of money.

While some are pleading for economic help, Elvin A. Laurel another ex-detainee is "very angry" and bitter about the government's "lack of recognition" towards the plight of ex-detainees. "I have not seen anything," he says. "Why don't they (the government) do anything?" To those who are now in government, Laurel asks "What did they do? What have they gone through? We risked our lives; we have offered our lives. Do you think they will do what we did?"

"It was us who put them in position. They have the job, but what about us? We who've risked our lives have nothing. Why release us and then forget us?"

For a lot of them, their economic plight is only one of their concerns, though, as they themselves admit, the "gates" now are only wider.

"The democratization process is still illusive and the situation is very volatile. Anything can still happen," shrugs Rosanna G. Jopillo, another ex-detainee.

As an ex-detainee from Camp Nakar, Quezon puts it: "Bagama't malaya na, security pa rin namin ang problema. Pininalaya nga kami pero baka ma-assassinate naman kami."

As Bernabe Buscayno alias Kumander Dante, alleged chief of the New People's Army said when asked if he's afraid of being kidnapped by the soldiers who captured him: "Isang pangamba 'yon. Puedeng dukutin ako pagkatapos sabihin namundok na ako, sisihin si Cory at sabihin 'yan nagtago na si Dante.' Maaring mangyari 'yon sapagka't sa tingin ko sa AFP ngayon, nandoon pa rin ang dating nakalaban namin noong araw."

But believe it or not, AFP Chief of Staff Gen. Fidel V. Ramos also is apprehensive about the security of his men with the release of the alleged four top leaders of the insurgency movement.

"While the military has recommended the release of the four who remained, we must also maintain the army's capability and morale as I am apprehensive about the fate of those who took part in the capture of these leaders," says Ramos.

WOULD the government call for a general amnesty for all political prisoners? For the ex-detainees this is another matter of concern for some of them have pending trials for political offenses; they fear that they could, upon conviction, be arrested and detained again.

Dean Armando Malay, chairman of the Kapisanan para sa Pagpapalaya at Amnestiya para sa mga Detenido sa Pilipinas, when asked about the status of his son-in-law, Satur Ocampo (political detainee who escaped from his military escorts last May 1985) said: "I hope he has been pardoned. Unless he is assured of this, maybe it is better for him not to surface yet." Malay gave this statement despite the government's assurance that Ocampo will not be arrested if he goes out of hiding.

"Our work is not yet over," reveals Malay. Further, says he, out of 700 political pri-

soners more than 400 have not yet been released; he sees a need to remind and pressure the President to fulfill her promise.

"Make it soonest as we worry about the fate of our fellow detainees, some of whom are in physical pain," pleads an ex-detainee from Camp Nakar, who requested anonymity.

One such person is Medel Manalo whose fractured bone in her right shoulder has been a constant source of pain for him. He was hit by a bullet during an alleged NPA encounter in Tayabas, Quezon last March 2, 1985. He was scheduled for an operation at the V-Luna military hospital but due to lack of finances his operation has been postponed indefinitely.

Ederlinda Lichaves, another victim in the same encounter is suffering from intense headaches. Modesto Floranda was also hit by a bullet which landed close to his urinary tract. He has reportedly been urinating and defecating blood ever since. According to a former co-detainee of his, he was cursorily given antibiotics while at V-Luna but his condition has not improved. Daniel Mendoza, another victim in the same encounter, was hit by a grenade. He lost his left arm and got blinded in the right eye. He still suffers from a wound in his right foot and is now partly deaf. Fredo Marquez's jaw broke when it was hit by a bullet.

Malay's revelations succeeded to jolt out of their complacency the public who wrongly thought that the task of human rights workers and groups is now over.

Far from it, exclaims a harassed Jopillo, an ex-detainee who confides she has lost 15 pounds from overwork at the Society of Ex-Detainees for Liberation against Detention and for Amnesty (SELD). The ex-detainees group acts as overall coordinator of programs involving ex-detainees. Its immediate task at hand is the provision of welfare assistance and rehabilitation of ex-detainees and their families as well as victims of oppression and violence under the Marcos regime.

Aside from SELDA, other groups which handle welfare assistance include: Task Force Detainees of the Philippines, MAG and the Philippine Action Concerning Torture, a special program under MAG which specializes in the psychiatric help and treatment of torture victims, BALAY, a rehabilitation and learning center for ex-detainees and Children's Rehabilitation Center for children of ex-detainees.

THUS far, economic support and rehabilitation for the ex-detainees have been largely initiated and tackled by the non-government organizations (NGOs), extending everything they have been doing before, even during the Marcos regime. The NGOs are aided by the fact that they have the trained manpower and proven network of contacts that can deal with the ex-detainees' problems more effectively than existing government agencies. Note that the previous government has adamantly denied the existence and practice of torture as a tool of repression. The new government through the Ministry of Social Services and Development has its welfare assistance program for the ex-detainees but, the ministry is saddled with lack of funds and red tape. Also, ex-detainees would rather seek assistance from TFDP or BALAY than go to the ministry. As Judy Tagiwalo, an ex-detainee explains: "Nakakapanihago, kasi na may government institution na nais magtulong."

Direct assistance to torture survivors including medical services provided by NGOs still have to be organized and upgraded to insure consistency and to suit the unique conditions of traumatized torture survivors, said PACT.

MAG has offered medical services since 1982 specifically suited to the needs of a torture survivor. These include physical, neurological, psychiatric exams and rehabilitation.

The group has sent two groups of doctors to the International Center for Research and Rehabilitation of Torture Victims in Copenhagen for a three-month seminar workshop on treatment of torture victims. Since medical access to the victims has been "very limited," MAG has initiated a multilateral approach by conducting a training seminar involving medical doctors, lawyers and other human rights workers on therapeutic counselling, and psychotherapy. This way, immediate relatives, peers and legal counsel can help fulfill their supportive roles in the treatment and rehabilitation of torture survivors.

The group "hopefully" foresees a working relationship with the new government because much remains to be done.

The task looms larger for the inevitable need to seek justice for those who were abused while they were in detention; as well there is a need to work for legislative measures to indemnify and help rehabilitate those who have suffered. But there remain great hope and belief in the sincerity of the administration to effect justice based on reconciliation.

The ex-detainees welcome the President's move to constitute a human rights commission headed by former Senator Jose W. Diokno which will subject to trial those implicated in oppressive actions under the old regime. A news report quoting an unidentified government source said that even Defense Minister Juan Ponce Enrile will not be spared because under the principle of command responsibility, the men at the top must also be held accountable. The minister reacting to the report, said that he is ready to face any commission to determine his guilt or innocence. In an interview with *Veritas*, Brig. Gen. Samuel M. Soriano, newly-installed general judge advocate of the AFP and member of the human rights commission assured that "the intention of the commission to spare no one is a laudatory move. There is no reason to exclude the military from blame. Ex-detainees when asked to react, would only say, 'We still have to see.'"

Regarding welfare assistance, a more objective approach is needed. Hard-put NGOs tasked to help the hard-up detainees disclosed that "we cannot keep on sustaining the detainees for everything they need. As TFDP human rights worker Nelda Bonilla points out "there has to come a point where we must slowly wean the ex-detainees away from doleouts. By continuing to depend wholly on us, we are isolating them from the rest of society. It is our responsibility now to help them integrate themselves with society by helping them find work." Loans for cooperatives among the ex-detainees was one suggestion.

As much as an ex-detainee needs to adjust to his new roles, cope with their demands and find his niche once more, the public has as much to learn and understand about ex-detainees to be able to accommodate them in society again.

According to PACT, relatively few have heard of torture and not all who have, accept it as a reality. But torture does exist, and its physical and psychological effects must be understood, recognized and accepted as natural and normal reactions to the experience.

Dr. June Lopez, psychiatry professor at the UP College of Medicine and program chairman of PACT clarifies on the other hand that "we don't like to impress on the public an image that political prisoners or torture survivors are broken people or cannot be relied upon because they have been detained or tortured. Neither are we calling for sympathy or pity for them.

Majority can still constitute a vital force in nation building as they have been able to cope on the basis of their personal strength, family and organizational support.

"For the unlucky minority who have perhaps suffered much more, their physical and psychological reactions are natural and do not make them weak, crazy or less of a person."

Aside from the need to de-mystify the effects of torture as "natural" reactions, Lopez urged that "we must also guard against prejudice.

"The sad part is we are still suffering from the red-baiting. We should be open to new things and not be ruled by labels."

Although no one would admit to it openly, the release of trade union and community organizers among the political detainees are being viewed warily by other members of the already restive labor front.

Dean Malay in a talk before Rotarian businessmen last March 18 appealed to the businessmen to "please don't hold it against a job applicant if he was a political prisoner. I guarantee you, they are men of capability. If they were arrested before of subversion they thought it was the right thing to do because of prevailing circumstances at the time."

"Society," exhorts Lopez, "owes these ex-detainees a chance to prove their worth and be able to participate in nation building. It is because of society that they were detained and tortured in the prime years of their lives and offered their personal interests in the struggle for justice and democracy."

These days when "snap" or "instant" is very in, we should give the "originals" (those who led the first protest movements) all the chance they need.

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PHILIPPINES

'ANALYST' ON 'WE BELONG' REMNANTS, PMA JOB FOR CORPUZ

Quezon City VERITAS in English 3 Apr 86 p 16

[Text]

THE four day revolution must not be in vain. It must not remain a mere memory of gallantry, sacrifice, and conspicuous courage." That statement is attributed to some We Belong members.

These soldiers are now among those who have answered promptly the call of Pres. Corazon Aquino for a reconciliation between the people and the military and for an end to the 18-year-old insurgency problem.

Earlier, immediately after the four-day revolution, they had already made plans to reach out to the people — plans drawn even before Mrs. Aquino made a speech at the PMA graduation. That is how badly these soldiers want the military and the people to reconcile, sources told *Veritas*.

The We Belong members feel they have good reasons to continue putting up a civilian connection through the church. This way they could maintain a "pure relationship with the people and keep the idealism of the four day revolution alive — in the military and in the people." But they are "not overly satisfied with the somewhat accommodating policy in the AFP reorganization."

The We Belong members will not comment on their superior's call for their group to disband, arguing that the organization no longer served a purpose in time of peace and in the absence of a dictator or an emergency state of the country.'

But according to an analyst, the We Belong members was not established only to be disbanded after the four-day revolution. "They were dissatisfied with the AFP then that was why the organization was born," the analyst has hastened to explain. If the recent re-organization would prove futile in the professionalization of the AFP and in the implementation of its new role as called for by the President, then one may find it hard to justify the disbanding of the potent group.

ON the other hand, the military is actively making moves to reach out not only to the people but also to the NPA. Ex-detainee Victor Corpus, formerly a PMA graduate who defected to the NPA in the 70s will soon be a professor at the school which he once repudiated. The matter is "under study at the PMA by Col. Rodolfo Blazon," a *Veritas* source said.

The move to hire Corpus at the PMA might serve the purpose of the military — "for a tactical access to the NPA. But this was something they had been doing before with the use of deep penetration agents and other intelligence officers," explained a military analyst.

Corpus could best serve as an "eye opener" on the NPA's program to protect the people from feudal lords, abusive military men, and members of the lost command who are used by the

military to carry out some orders, said the same analyst.

"With the call of the President that the military man must serve the people — it is just like saying that the military men just learn from the NPA, a pretty good reason for the PMA to hire Corpus," the analyst said. He added that the moves of the military "might slowly pave the way for an active negotiation between the government and the NPA."

Should a ceasefire take effect, the NPA would likely make two important demands: a practical one like a safe conduct pass, and a call for reform in the land problem and feudal set-up of the society, which would take some time to put into effect.

Ideally speaking, if these demands are met and, on the whole, if the country is able to solve its economic problems, the Left will have the option to shift from an armed struggle to a parliamentary form of struggle, said the analyst.

The distinguished conduct star award for conspicuous courage and gallantry of action that was given to We Belong members led by Col. Greg Honasan, and the Presidential Citation to six military units that assisted in the four-day revolution are "symbolic of

the civilian government's recognition of the We Belong members — which might pave the way for a unity of purpose of the government and that of the young officers to serve the people," continued the analyst.

To recall, in the Minimum Program of Government (of the UNIDO and LABAN coalition) which was drafted before the election, it was stated that "in the interest of national reconciliation and solidarity, general amnesty shall be granted to all political detainees and all political offenders who will disavow the use of violence to achieve political ends."

The same program added that the government "shall take steps immediately upon assumption to office to relieve the legitimate grievances of those who have resorted to armed struggle."

For a successful land reform program, the government must "provide sufficient credit, marketing, and technological support for the farmers' self reliance and progress; further research on the use of environmentally accepted agricultural technology; and, plans for the reduction of farm production and thereby increase the farmers' sales." — BMD

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PHILIPPINES

AQUINO GOVERNMENT SEQUESTERS FLOIRENDO, COJUANGCO FIRMS

Manila MANILA BULLETIN in English 2 Apr 86 pp 1, 4

[Article by Ding Marcelo]

[Text]

The multibillion-peso agricultural empires of Antonio Floirendo and Eduardo Cojuangco Jr., reportedly built on the strength of their friendship with deposed President Marcos, were ordered sequestered by the Presidential Commission on Good Government (PCGG) along with several other companies owned by them in Metro Manila and Mindanao.

The order, which covered 34 companies — 18 belonging to Floirendo, 16 to Cojuangco — came one day before the arrival of Good Government Minister Jovito Salonga who is coming in today from the United States.

Salonga, according to associates at the PCGG, has with him "explosive" documents showing the extent of Marcos' hidden wealth abroad.

The sequestration order means that the companies will be placed

under the control and possession of the commission.

Commissioner Ramon Diaz signed the order in behalf of the PCGG and the government.

The sequestration order, however, will not disrupt the continued operation of the companies and the personnel will continue to discharge their normal duties.

The sequestered Floirendo companies are: Tagum Agricultural Development Corp., Worldwide Agricultural Corp., Davao Agricultural Aviation, Nestfarm, Pioneer Trading, Davao Agricultural Ventures Corp., Amflo Management and Investment Corp., House of Travel, Davao Motor Sale, Valley Motor Corp., Mindanao Motors, Anflo Cars, United Motor Corp., United Financing Corp., Worldwide Mining Exploration, AOF Shipping, San Vicente Port

Terminal, and Credit and Collection Specialist.

The Cojuangco companies are: Aquacultural Investors, San Miguel Farms, United Cocoa Planters, Cocoa Investors, Bukidnon Farms, Prosperidad Agricultural Corp., Palm Oil Projects, EXOW radio station, Northeastern Agricultural Industrial Corp., Bugsok Island, Legaspi Oil (Davao), Legaspi Oil (Cagayan de Oro), Grannix, Illico, Southern Island Oil Mills, and Mindophil.

Floirendo's companies are engaged in banana planting and exportation, aircraft, pineapple, trading and investment, travel, car dealership, and mine exploration, among others.

They are scattered in Davao, Cotabato, Cagayan de Oro, Baguio, and Metro Manila.

Cojuangco's firms, on the other hand, are in prawn farming, coconut and cacao plantations, palm oil extraction,

coconut oil, and hybrid coconut planting.

They are located in Davao, Agusan provinces, Palawan, Zamboanga, Cagayan de Oro, and Misamis provinces.

The sequestration order was implemented by PCGG task force members Dionisio de la Serna, Dario Rama, Luis Lorenzo Jr., Paul Dominguez, and Jose Cam.

The arrival today of Salonga is being eagerly awaited by the PCGG as the documents he will be bringing are expected to tie many loose ends in the current investigation of Marcos' wealth abroad.

Salonga was away for nearly three weeks and while in the United States, he met with several high ranking American officials, many of whom assured their cooperation in the recovery of the hidden wealth estimated to be between \$5 and \$10 billion.

Meanwhile, Commissioner Raul Daza told a

visiting eight-member delegation of the Japanese Diet (Parliament) that some \$500 in Japanese aid may have been siphoned by Mr. Marcos by jacking up the price of construction projects under the Overseas Economic Cooperation Fund.

Daza said the commission is in possession of a sworn statement from a Japanese official who participated in the systematic plunder of the aid package which totaled P3.1 billion over a 20-year period.

The Japanese national said that Oscar Rodriguez, deputy minister of Public Works, and head of the Implementing Office of the ministry which approves all the construction projects, was the front man for Marcos in the transaction.

A Quezon City businessman also cornered a big chunk of the construction projects, Daza said.

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CSO: 4200/945

PHILIPPINES

WEEKLY REPORTS 'BAD NEWS' ON 'DEEP PENETRATION' AGAINST NPA

Quezon City VERITAS in English 3 Apr 86 pp 10-12

[Article by Carolyn O. Arguillas]

[Text]

FIRST the good news: thousands of insurgents may come down from the hills and lay down their arms.

Now for the bad news: majority, if not all, of those who will come down may actually be deep penetration agents (DPA) tasked by the Armed Forces of the Philippines to infiltrate the ranks of the CPP-NPA-NDF since early 1972.

Warns a ranking CPP-NPA official based in Mindanao: if the Aquino government does not conduct an investigation into this massive infiltration, it may find itself embracing fake NPA "returnees" and "surrenderees."

Nilo Nabong, a ranking official of the Northern Mindanao Operational Command told *Veritas* that the massive infiltration of AFP soldiers into their ranks was uncovered only toward the latter part of 1985. These DPAs are dubbed in the area as *zombies*.

The *zombies* are either soldiers trained or specially schooled or insurgents ordered to do a specific mission: find out what the CPP-NPA does; and later violate all the codes of discipline to discredit the entire organization. "We have been accused of deception, brigandry, and terrorism. We

have been accused of killing several persons who did not even commit any crime against the people. We have been accused of launching ambuscades and extortions, and worse, of killing innocent civilians in the process. For a time, we could not understand what was going on, until those who committed serious breaches of discipline were investigated and later came forward to explain."

The *zombies*, Nabong said, are paid out of public funds. They are either paid by local government officials or the local command, or directly by the NISA, MIG and the other intelligence units of the AFP. The benefits enjoyed by a *zombie* include money, shoes, jackets, pants, backpacks, promises of a house and lot, and if the *zombie* is not soldier, promises of a rank in the Armed Forces of the Philippines.

Vicente Libora, 29, a zombie detained by the NPAs somewhere in the mountains of Mindanao, in an interview with *Veritas*, spoke of the existence, now deeply-rooted, of a pseudo-NPA structure. "Parehas ang structure sa NPA ug sa zombies. Tanang ang ang sa kalihukan, nasudlan na sa zombies. Parehas gyud ug structure. Dili pud mi kahibalo kung

kinsa ang nad sa taas o sa centralismo." (The NPA structure has been duplicated by the zombies. The zombies have penetrated all rungs in the structure. The structure is really the same. We also do not know who is on top, who is in the central committee.)

Libora, until his detention, reached the position equivalent to that of a Vice Commanding Officer in the NPA command structure. He was drawn into the net of infiltrators by a "*kauban sa unit*" (a cadre belonging to the same unit as his). Libora told *Veritas* the zombies did not at all find it difficult to encourage the red fighters to join because they knew when to approach and knew of their individual weaknesses. Libora explained that he was in some kind of a crisis in 1981, when he joined the zombies. He said he had fallen ill and that there was not enough money in the field, nor medicines to cure his ailment. He added he was in such a vulnerable state that when the offer came, it was difficult to reject it. The offer: a fee of ₱1,500 a month, up to a maximum of ₱45,000 as soon as he completes his final mission before turning himself over; or "surrendering" or "returning" to "the

folds of law." The final mission: kill the Commanding Officer and surrender the entire unit by December 1985. Other benefits enjoyed by Libora: a pair of rubber shoes; jacket; pants.

Looking back to his days as an infiltrator, Libora said "dili man gud pud hugot ang orientasyon. Karon, naga-tabang ko sa pagpanhinlo, taman sa mahimo nako. Naga-cooperar ko dili lang aron masulbad ang problema, apan aron pud mapatun-an nga tama ang rebolusyon ug kaya nakong usbon ang akong kaugalingon." (The orientation then was not really tight. Now, I am helping in the 'cleansing,' I am cooperating not only to solve the problem, but also to prove that revolution is the correct way and also to prove to myself that I can correct my wrongdoings.)

Does he regret his being a zombie? "Oo. Mura lang mi ug gipati-law ug kendi. Dako ug pasalig, gamay ang madawat." (Yes. It was like allowing us taste candy. Too many promises, too few results.)

Aya, recalls Lina, was a highly respected woman cadre in the organization. "Everyone really trusted her." Aya turned out to be a Major in the Army. "She led raids, assaults, and worse, resorted to extortion, killing their prospects if they could not produce the money." "We really cried," Lina said, "because it was very difficult to accept (the fact.) When she finally confessed, a number of our questions were answered. It was really difficult to accept it." Aya the Major is no longer a zombie. She is dead. But with her revelations, the entire structure was shaken: there were hundreds of zombies literally roaming the areas — the so-called "white area" and the "red area."

Carlos Balacwet, 21, was a Sparrow (liquidation arm of the NPA) operating in Cagayan de Oro City. He told *Veritas* he killed his team leader; he extorted money from innocent civilians; he wasted the precious bullets from the NPA arsenal; and did everything that is

not in the books of the NPA's code of discipline. We were told to do things which would contradict the NPA. Carlos was promised the rank of Master Sergeant in the AFP. He is presently detained along with Libora and some twenty others and recently found, to his dismay, that his brother, a ranking guerilla, was killed by a zombie who belonged to his own "collective."

Minda told *Veritas* that the DPAs take advantage of the lack of education of the other guerillas. "The others do not know that the AFP admits only high school graduates."

Ranking leaders Nabong, Paris and Agri, informed *Veritas* that they are still going through their "cleansing" or "purging" process. "Way problema sa nabilin. Ang musulod ang problema." (There is no problem with those of us left behind. Those who enter will be a problem.) Charo added, however, that they are thankful that the existence of pseudo-NPAs was discovered. "It was really very difficult to accept. Here we were fighting the enemy only to find out there was also an enemy within our ranks."

Nabong said that toward the latter part of 1985, a "sinister plot" was uncovered, involving town mayors and a Governor, with the assistance of the local military command, to "infiltrate and launch sabotage and anti-people movements in the mass organizations." These infiltrators, Nabong said, "are paid with public funds, unaccounted and clandestinely kept from public knowledge. They are hired goons, most of whom are dregs; others imported from military agencies. They are trained, some crudely, others highly and specially schooled for tactical missions."

ESSENTIALLY, the infiltrators are tasked to commit breaches of discipline, to undermine the leadership of the people's mass organization. The infiltrators, Nabong said, bore their way into the people's organizations by assuming a facade

of good character and good work performance. Once inside the organizations, the DPA starts violating codes of discipline like stealing from the people, destroying people's property, sowing intrigues and in-fighting among members of the community; spreading anti-social vices like gambling and drinking, and even engaging in prostitution.

The eventual discovery of the plot, Nabong said, led to "more discoveries — deeper — than before, unimaginable and unperceivable — than what was probed into earlier. These infiltrators were found to have been capable of planning raids, killing and stealing cattle and poultry, and people's money, in larger amounts. To a certain degree, these infiltrators and paid agents have succeeded in mobilizing the local command of the AFP to send company upon company of military and paramilitary troops to the mountain barangays in the name of 'peace and order' missions. They are the best extensions of the military in the barrios; more effective and potent because they are discreetly hidden behind the cloak of the people's mass organizations in the barrio, in the guise of being an advocate of pro-people, nationalist and democratic ideals."

Upon discovery of zombies' activities in their region, the other regions were immediately warned, and they discovered, too, that there were indeed infiltrators or zombies in their ranks. That discovery led to a far more startling revelation: Mindanao, which has the most number of armed guerillas, was heavily infiltrated by zombies.

Paris hastens to add that it is logical to deduce that if Mindanao is heavily infiltrated, the zombies are operating nationwide. "Considering that Mindanao has the most number of guerrillas, yet they were able to infiltrate, how much more in the other fronts in Luzon and the Visayas?"

Defense Minister Juan Ponce Enrile in a speech before the Credit Management Association of the Philippines in late July last year declassified intelligence reports of an "internal strife within the ranks of communist terrorists, which prompted some of them to indiscriminately kill comrades who are reluctant or who want to get out of the movement." Enrile said there is a "growing atmosphere of uneasiness and disillusionment within the ranks of the movement over the growing trend of indiscriminate killings of their own people and supporters."

Capt. Eleazar Janea, OIC of the Scout Ranger Battalion detachment at Claveria, Misamis Oriental, told members of the Fact-Finding Team that the "NPAs were okay from 1979 until 1982, but since 1983 up to the present, over three hundred persons were killed by the NPAs." Janea also said that the number of armed regulars reached over a hundred in 1985 but "in the first quarter of 1986, the NPAs did 'cleaning.' They suspected some of their members were government infiltrators."

Enrile, over the past few years, has been saying that it is a fallacy to think that the Marxist threat can be destroyed merely by neutralizing its military component. Said Enrile: "Even if we account for all its armed elements, for as long as the party is still intact, we have not solved the problem. But if we can succeed in destroying the credibility of the party itself, its organization and all its concepts and ideals — then its military capability will die a natural death."

On the theory that armed might cannot win the masses over, the Marcos government launched its Oplan Katatagan, otherwise known as "winning the hearts and minds of the people."

Last year, it was a common narrative in Mindanao that military and paramilitary elements conducting 'dragnet operations' designed to flush out dissidents in several areas would, in trigger-ready position, storm into the houses of residents of urban poor and rural communities, and ask "Asa na ang inyong sundalo sa Katawhan." (Where is your people's army?)

Frightened residents could only reply "Dili ba kamo man ang sundalo sa katawhan?" (But, aren't you the people's army?)

The exchange, repeated everywhere in strife-torn Mindanao provides an accurate insight into the ongoing battle between the AFP and NPA.

BUT winning the hearts and minds of the people has led to a more determined fight between the two forces as to who will eventually emerge the "real Army of the People."

President Corazon Aquino in her speech on March 22 at the Philippine Military Academy Commencement Exercises said "Once more, you are back to where you have longed to be: on the side of the people. Welcome home my soldiers."

Mrs. Aquino also said in her speech that "any officers and men guilty of crimes or serious misconduct will be dealt with appropriately." A new beginning requires a closing of the old chapter. But the people will not let the page be turned if crimes and human rights abuses lie unexplained."

Calls for ceasefire, though not formally declared, have led to reports of violations on the part of the insurgents. The AFP General Headquarters reported over two hundred civilians and soldiers and dissidents killed in encounters and ambuscades launched by the New People's Army.

In a letter to the editor, a reader who asked not to be identified cautioned the general public, as well as President Aquino, about the "barrage on alleged NPA attacks." Said the letter-writer:

"There seems to be a concerted psychological warfare campaign launched by certain quarters with the main purpose of discrediting the rebels."

The letter-writer also suggested the following precautions: for the general public to try and find out, and double check, the sources of these articles, read between the lines and look for any inconsistencies that would expose the intent of the article, and for those with relatives or contacts in areas where there are alleged encounters, to check on the veracity of these reports and to inform their friends in Manila; to President Aquino, the importance of consulting independent sources when dealing with the insurgency problem; and to the decent elements in the AFP and the MND to please restrain their colleagues from attempting to undermine President Aquino's initiatives for peace. "You are no longer under a dictator who would use naked violence and repression to settle disputes with the population. The letter writer in conclusion said, "Let's face it, whether we like it or not, the NPA have been largely successful because they fight with the consent and active aid of the rural populace, without which the rebels could not long survive. They have worked to earn the people's respect in a way that the military has yet to discover. Therefore, learn the lesson of the deposed Marcos tyranny: no amount of trickery or deception can forever fool our people. The truth has a way of slipping out of even the most sophisticated psywar machinery."

IN the areas visited by *Veritas*, post-Marcos era, the "masa" have come up with their own manner of helping the NPAs: the use of traditional weapons such as flying spears or traps when the "kaaway" (enemy — the AFP) enters the area. The civilian populace likewise acts as the intelligence arm who warns the NPAs about the movements of the military.

Manang Luisa, 56, spoke of how, for a time, she began to dis-

trust the NPAs because they had become abusive: Manang Luisa said that the rebels would go to their area, talk to them, even help them cut wood, and pay for whatever things they order. Over the months, however, Manang Luisa said, the NPAs visiting their area became abusive. "Mura lang pud sila ug military. Mga abusador." They were acting like the military. Abusive.)

Manang Luisa recently learned that the NPAs who acted like military men, were actually zombies — or pseudo NPAs, mercenaries paid to discredit the NPA.

Melina, 26, operates in the "white area" where she deals with multi-sectoral groups, down to the chapel level. Last week, she told *Veritas*, she was on her way to the "red area" — to join the rebels in the hills. "It is not safe here anymore. A lot of zombies operating here know me. I had planned to leave for the red area by next year yet, but with the present problems, I have no other recourse but to proceed to the "red area." Melina told *Veritas* that the discovery of the "zombies" frightened her, specially when she found out that some chapel workers were also zombies.

Raul, 30, a kagawad-turned-rebel, could not at first understand why his moves were being monitored by the other rebels. Raul, who joined the NPA full-time in August last year, told *Veritas* he was suspected as a "zombie." It was only later when my moves were no longer monitored. It was

also then when I found out that our other companions were either soldiers or NPAs turned agents."

The zombies presently detained are interrogated in their involvement in the pseudo-NPA structure. When the investigations are through, the Anti-Zombie Committee hands down its verdict. But most zombies are eventually released, the duration of the detention of some depends on the extent of their involvement.

In many parts in Mindanao, the NPAs are still in the process of purging the zombies. The others who have not been discovered, Nabong says, pose a threat not only to the NPAs but also to the Aquino government as well. "It is not surprising if the zombies will now come down and lay down their arms. After all, the Armed Forces of the Philippines needs to produce 'surrenderees' and 'returnees' to prove they are succeeding in winning the hearts and minds not only of the people, but also of the rebels. It is a tremendous task for the Aquino government. It should not fall into the trap of embracing fake returnees and surrenderees. We've had too many fakes in the past."

(In the light of this revelation about the activities of the "zombies," questions are now being raised on the possible zombie connection of *Time* writer Ross Munro who sometime ago wrote the much-criticized article "The New Khmer Rouge.")

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CSO: 4200/945

THAILAND

COLUMNIST VIEWS PROS, CONS OF U.S. STOCKPILE

BK111230 Bangkok NAE0 NA in Thai 10 Apr 86 p 16

[Nui Bangkhunthian column: "War Reserve Stockpile--Good or Bad"]

[Text] U.S. Secretary of Defense Caspar Weinberger is now in Jakarta. Although his 2-day visit to Thailand was brief, he faced four tough events--a protest over the Farm Act, a visit to refugee camps, a discussion over the war reserve stockpile project, and a bomb blast near the Erawan Hotel.

Because he is a major U.S. official, Weinberger's current visit to Asia could have undisclosed motives. Never mind what the motives were, but what interests the Thai people is the usefulness of the war reserve stockpile, or the lack of it.

To aid analysis, let us review the war reserve stockpile project. General Prem Tinsulanon went to the UN General Assembly in late 1985 and took the occasion to sign a memorandum of understanding on a joint Thai-U.S. logistics program with Weinberger in New York on 3 October. According to the memorandum, after the project receives approval in principle, an agreement will be signed between the Thai defense minister and the U.S. secretary of defense. The agreement is renewable every 5 years. Thailand will specify the weapons the United States is to stockpile in Thailand. The United States will manufacture spare parts for weapons that it has given to Thailand but that have since been decommissioned in the United States. The United States will provide specialists for training Thai personnel. JUSMAG [Joint United States Military Assistance Group] will handle this matter.

Some people feel that the United States could exploit the memorandum of understanding to make Thailand its logistic base in time of crisis or war. They are concerned that this could again provoke an atmosphere of war after the U.S. defeat in Vietnam.

The war reserve stockpile could enhance the confidence of the Thai military and could be an economic move when the economy is bad, but the people feel uneasy about it.

The lesson in Vietnam, Cambodia, and Laos has proved that the independence and sovereignty of small countries are jeopardized by a climate of war backed by superpowers. Small countries become guinea pigs and suffer regardless of who wins.

I agree with an academic's view that it is not necessary to use arms for emphasis to prevent war, providing the situation is not critical. There are other useful ways to do it, such as to cultivate allies, use diplomacy and the international political arena, forge a balance of power, and employ psychological warfare.

War is not the best alternative. Weapons do not dictate who will win or lose. True, the war reserve stockpile and allowing the country to be used as foreign base are two different things, but we must not forget that they are related and could evolve into the same thing.

In 2 months details of the war reserve stockpile will be completed. Weinberger has said that it will require U.S. congressional approval, and the Thai parliament will likely to have to scrutinize the matter as well. Something similar to the Thanat-Rusk treaty should not be allowed to recur.

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CSO: 4207/214

THAILAND

EDITORIALS CONTINUE TO CRITICIZE U.S. FARM ACT

BK171547 [Editorial Report] Four Thai-language Bangkok dailies--NAEO NA, SIAM RAT, THAI RAT, and MATICHON--on 14 and 15 April carry editorials criticizing the United States for setting low rice export price under the Farm Act.

NAEO NA's 800-word page 4 editorial on 14 April entitled "The Rice War Is Here" says: "If the U.S. Congress' approval of the draft farm bill and its enactment means represents the sanctioning of power to the government of President Ronald Reagan to wage a rice war with Thailand, then the price announcement by the U.S. Department of Agriculture on Friday is an 'official order' to attack Thai rice markets in the world." The editorial notes that both the Thai Government and students, in their protests against the Farm Act, took into consideration the factor of "friendship" between Thailand and the United States. The editorial also notes that the students' protest is softer than their protest against "economic imperialism" by the United States in 1971-1973.

"Anyway, up to now we have learned from our past experience that we can expect the least from U.S. friendship. In the near future, Thailand will stand to lose rice markets in third countries. Our export volume will be reduced by 500,000 tons or one eighth. What is most important is the fact that we will no longer be able to sell our products at the present price of \$195 per ton," the editorial says. It says that while other losses cannot be estimated, the government must study and evaluate the situation to promptly inform the public. It continues: "We support Deputy Prime Minister and Foreign Minister Air Chief Marshal Sitthi Sawetsila's swift reaction to the U.S. rice price announcement as well as his move to propose direct negotiations between President Reagan and Thailand's Prime Minister Prem Tinsulanon in order to try their best to avoid a rice war." In conclusion, the editorial warns the Thai that they should be prepared for a collapse of such negotiations and consequently a rice war.

SIAM RAT's 600-word page 3 editorial on 14 April entitled "It's Time to Protest" says relations between the United States and Thailand have been sorely tested since 12 April when the U.S. Department of Agriculture announced a basic rice export price below any expectation by Thailand. Such a low price makes it hard for Thailand to compete in the world markets. Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila reacted swiftly and with great concern saying the U.S. decision would affect a majority of the Thai people and shows that

the United States did not heed Thailand's warning over setting its export price too low. The foreign minister said he hoped the United States would think of the long friendship existing between Thailand and the United States rather than risk losing Thailand as its friend.

"We sympathize with the U.S. Government for having to adopt such a measure to help American farmers. Yet, we feel that the measure should be reviewed and made less tough. The problem rests with whether the U.S. Government will agree to review it."

"The United States and Thailand have had a smooth relationship for a long time--both politically and militarily speaking. The relationship has all along been marked by mutual cooperation, especially concerning the problem caused by the United States--the refugees from Indochina which is a heavy burden for Thailand at present."

"We do not want to see our government protest to the U.S. Government over the Farm Act. But if there is no other choice, protest is inevitable," the paper concludes.

THAI RAT's 800-word page 3 editorial on 15 April entitled "When the Great Friend Breaks Our Rice Pot" refers to the U.S. announcement on its world rice price incorporated in the Farm Act and the estimates by Thai authorities, citing Director General of the Foreign Ministry Economic Department Danai Dulalapha in particular, who believe the decision would cause a serious and long term effect on Thailand's rice exports. Danai predicted that Thailand stands to lose about 1,360 to 2,700 million baht annually in rice exports.

With such a strong impact anticipated, it is not surprising to see strong protests by both the Thai Government and people against the attitude of the United States whom Thailand has considered its best friend, the editorial says. "We support Deputy Prime Minister and Foreign Minister Air Chief Marshal Sitthi Sawetsila's proposal to have the prime minister send a message protesting the U.S. action which constitutes 'breaking the Thai rice pot.' The message will be presented to President Reagan when Sitthi meets the latter in Indonesia soon," THAI RAT says. The paper concludes that the U.S. action this time should tell our government leaders and people that the world has now entered a period of protectionism; the free trade era has past. Thailand must try by all means to protect national interests to enable the country to survive.

NAEO NA's 800-word page 4 editorial on 15 April entitled "The Government Must Be Bold in Making Decisions" notes the seriousness of the impact from the U.S. Farm Act on Thailand of which a majority of the population are rice farmers and as it is impossible for Thailand to immediately switch to other forms of production as we are still a country poor in technology. The paper says: "The U.S. Government has all along told us that the impact on Thailand from the Farm Act would not be serious and that it would try to alleviate the repercussions. Those were all lies. During the debate of the bill, Thailand was accused of taking away U.S. rice markets by giving export subsidies to rice farmers which is not true."

"What the United States has done to Thailand should make Thailand realize that it is now necessary to evaluate U.S. friendship and, most importantly, Thailand must adjust its policy and the policy with regards to the United States."

"It is now time for us to consider whether we should continue to allow the United States to easily reap the interest from us, or whether we should strive from now on as a sovereign and independent nation."

"The government must be bold in taking a decision for the survival of our country. Otherwise, it should not remain," the paper says.

MATICHON's 800-word page 6 editorial on 15 April entitled "The Nature of the U.S." criticizes the U.S. Embassy in Thailand for saying Thai authorities are too pessimistic over the impact from the U.S. rice price and that the figure would affect Thai rice exports much less than expected. The paper explains that, no matter what, Thailand would lose about 16 percent of its annual earnings from rice exports to American millionaires next year. This is a small sum of money for the United States, but it means the life and death of Thai farmers who constitute 70 percent of the entire population. "This is the most dangerous problem for the Thai Government and people. It should serve as the basis for the Thai Government to adopt a policy for its farmers. Most importantly, it should be the basis for our policy towards the United States which enacted this 1985 Food and Security Act out of the hope that it would be able to snatch from Thailand 3 million tons worth of the market share right away. Is this not too much for a friend to exploit its friend in such a manner?" The paper asks.

Friendship between Thailand and the United States has caused Thailand to be tied into U.S. strategic policy, whether in Korea or in Indochina. We have thus lost our self-independence. "Now we should learn from the Farm Act issue and adjust ourselves. We must not cling to a world power. On the contrary we should have political and economic relations with all countries and all camps equally. This would help us become more flexible in any situation," MATICHON says.

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CSO: 4207/214

THAILAND

PAPER REPORTS ON ACTIVITIES OF PHAK MAI PARTY

BK290803 Bangkok NAE0 NA in Thai 29 Apr 86 p 3

[Text] The 3d Army Region and the Internal Security operations Command for Region 2, during a meeting to review the communist insurgency situation in the northern part of the country, reported that communist insurgents are still active in the area but not violently so, while the Phak Mai Party is making an effort to "swallow" the old party [the Communist Party of Thailand].

The old party's insurgents are still working in the common border of Uttaradit and Phitsanulok Provinces, Pua and Mae Charim Districts, and Santisuk Sub-district of Nan Province, and Mae Sariang, Khun Yuam, and Mae La Noi Districts of Mae Hong Son Province. However, this insurgent group and its supporters have rather low morale and are fed up with the fighting as they receive no support in any form from the party and are forced to run around to avoid confrontation with government forces.

In addition to the military suppression operations, the insurgents of the old party are being pressured to join the Phak Mai Party that is supported by Laos, Vietnam, and the Soviet Union. Moreover, their arms caches are regularly discovered by government authorities. They are not supported by the local people while their working cadres and supporters continue to surrender to authorities.

These problems have compeled them to resort to different means to earn their living--by demanding protection fees from logging businesses, and road construction firms and growing opium as engaging in narcotics trafficking.

The insurgents of the Phak Mai Party have infiltrated into Thailand from Laos and are now operating in Thoeng and Chiang Khong Districts of Chiang Rai and Chiang Kham District of Phayao Province. They conduct mass mobilization, recruit new members, gather information, and force the communists of the old party to join them.

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CSO: 4207/214

THAILAND

PAPERS VIEW POSSIBLE MOTIVES BEHIND HOTEL BOMB

BK110340 [Editorial Report] Three Thai-language Bangkok dailies--SIAM RAT, NAEO NA, and MATICHON--on 10 April carry editorials commenting on the 8 April bomb explosion at the Erawan Hotel which occurred shortly before Prime Minister General Prem Tinsulanon was to host a reception in honor of U.S. Secretary of Defense Caspar Weinberger.

SIAM RAT's 800-word page 3 editorial, entitled "A Political Warning," says that there is no reason to think that the bombing incident is the work of a foreign terrorist group or is linked to the Farm Act and the United States. It is caused by the internal political situation.

The paper notes that the explosion was unlikely to have been the work of foreign terrorists because they would have aimed at our guests and lives rather than at intimidation; it is also unlikely to be linked to the Farm Act because it would do more harm than good to our country. The paper says: "From the looks of the results of the disturbance, it was intended to embarrass the prime minister and the government in front of our "stage guest" from a superpower, showing that the government could be shaken by the pressure of a group of people who secretly resist the government. We should not ignore the fact that more serious incidents might occur."

The editorial ends by calling on the government to recognize this and carry out preventive measures quickly because it is a warning of political conflicts which if allowed to continue will cause losses for the country and its people as well as for the democratic system.

NEAO NA's 900-word page 4 editorial, entitled "The Explosion at the Erawan Hotel," says that "there are several possible motives for the bombing: It might have been aimed at the U.S. Defense Secretary because of the Farm Act, it might have been the work of Libyan terrorists, or it might have intended to shake the government of Prime Minister General Prem Tinsulanon."

It continues that "no matter what the motive is, the explosion will seriously affect our country's reputation since the news has been spread to all corners of the world. We are sorry that the incident occurred despite the tight security for the visit of the U.S. secretary of defense."

The paper goes on to say: "If it is proved that the bomb was planted by Libyan terrorists who have announced their intention to retaliate against Americans with all means any place in the world, then the government should take suitable retaliatory measures against the government of that country because such an act clearly shows hostile intent toward Thailand. At the same time, if it was the work of local people as assumed, they should be punished. And if it was aimed at shaking the stability of the government, the agitators should be punished as severely as possible."

MATICHON's 900-word page 6 editorial, entitled "What Does the Explosion Tell the Americans," says that the bomb blast at the Erawan Hotel, a blatant act with ill-intentions, should be condemned "because it runs counter to the Thai tradition of warmly welcoming their guests."

The paper says that the Thai Government has been very careful in planning security for visits by foreign leaders and dignitaries including those from the United States. However, "this incident was beyond prevention," even though security was provided by both Thai and U.S. authorities. It says: "this sort of thing has never happened during other countries' leaders' visits to Thailand. The Thai Government and its security authorities are not alone in having to face such an unwelcome problem; other governments and countries, which have learned some lessons while receiving U.S. leaders, are all uneasy about it. Why? The problem is not solely one of loose security and negligence of governments and security authorities or the need for them to strengthen their capability and care. If we believe this we will be placing the blame in the wrong quarter and failing to take into account the behavior of the United States and its leaders. This sort of problem can only be resolved when the United States reviews its behavior and corrects its errors."

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CSO: 4207/214

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

PRO-DK ORGAN CALLS POL POT 'SPIRITUAL LEADER'

Asnieres KAMPUCHEA in French Feb 86 p 1

[Editorial: "What We Can Do Together"]

[Excerpts] Union among all of its people is an imperative requirement of any country, a fortiori, one at war against the foreign enemy. This is absolutely true for today's Cambodia. (See our previous editorial.)

This fact, which is gradually becoming a reality, enables us to hope and it comforts us in our conviction: "No military power has ever succeeded in breaking the will of a nation wholly dedicated to fighting for its survival and its liberation."

But, in the future, will national union be absolutely necessary once the country is free, or will we take the chance of forsaking it?

Everyone agrees that peace is a sine qua non condition for building one's country. There are currently four political fronts within the Cambodian population: Prince Sihanouk, his faithful pro-royalists and his supporters and sympathizers whether they are pro-royalist or not; the nationalist, Son Sann, with his "former democrat" faction which includes supporters "for" and "against" Samdech Sihanouk, this situation being one of the factors of internal strife within the KPNLF which he heads; the Khmers Rouges, whose spiritual leader is Pol Pot, seconded by Ieng Sary and Khieu Samphan who is acknowledged to be more moderate and acts as flag bearer; and the Heng Samrin group, which must not be neglected and which gathers the former dissident Khmers Rouges and the pro-Vietnamese communist Khmers trained in Hanoi.

These four fronts, with their armed forces, will inevitably face each other once the Vietnamese troops withdraw. Each faction will try to use all the means at its disposal to achieve power. It will be an exclusive or shared power.

Exclusive power will certainly please a political family, but only one will benefit from it. Totalitarianism and high-handedness will return. Conflicts of interest, together with ideological ones, will flare up and break out with dire consequences for the country. Confrontations, not mentioning hatred and revenge, are bound to result from this situation, leading to armed struggles among the various armed forces with their respective outside supports.

There will be no end to the Cambodian people's suffering. The armed struggle will leave no winner. On the other hand, the loser will be readily appointed: It will be Cambodia itself, which runs the risk of disappearing from the map, for foreign enemies will be bound to profit from this situation.

The irrevocable will then become history. And our children will contemptuously spit on our graves.

We must appeal to common sense and wisdom in order to prevent this scenario.

The second hypothesis, shared power resulting from free elections, implies the acceptance of the democratic game. It has the merit of saving the population from an absolutely unwanted civil war, but resulting from armed clashes among the various political factions. All these movements must work together in order to find a solution to the problem of running their respective armies and eventually integrating them, a solution which will have to be acceptable to all. Can a country afford the luxury of having several armies? From this context, only sincerity and respect of the rules of democracy can guarantee a non-military peace within the country. That is the true meaning of national union. It does not demand political unity; on the contrary, it assumes there will be differences and it allows diversity which is a source of power, wealth and solidarity. It is union with diversity. Fighting revolves around the debate of ideas. The minority must abide by the opinion of the majority. The majority must learn to respect the minority's views. Social justice must be balanced in the best interest of all. Tolerance inspires everyone's behavior. Violence, even verbal, must be banned.

It is only within the framework of democracy, and in this climate infused with diversity and tolerance, that Cambodia will be likely to rebuilt itself. Its sons and daughters will assume the task together, a noble and exhilarating one on which to reflect: Conceive, plan and implement.

We are convinced that a solution contrary to the above-described one can only lead the country to ruin and, from there, to disappearance.

But, will you ask, could we trust anyone in view of the past performance of each? National reconciliation is the prescribed solution. May each person bring to it his sincerity, wisdom and love for his country. We dare to hope that the political leaders will know how to assess the national stake and give the country a chance to survive, flourish and develop.

The broadest national union policy must be pursued in order to avoid a civil war after the withdrawal of the occupation troops.

What we can do together from this point on is to broaden and cultivate the spirit of a comprehensive national union now and in the future.

Coming together is the task of all collectively and of each individually.

6857

CSO: 4219/33

VPA GENERAL DISCUSSES YOUTH LEADERSHIP

BK250726 Hanoi Domestic Service in Vietnamese 2330 GMT 23 Feb 86

[Text] On the occasion of the 56th anniversary of the CPV and the 55th anniversary of the Ho Chi Minh Communist Youth Union [HCMCYU], Issue No. 2 1986 of TAP CHI QUAN DOI NHAN DAN features an article by Senior General Chu Huy Man, director of the VPA General Political Department, entitled: "Resolution No. 26 of the Political Bureau and the Task of Leading Youths in the Army."

This is a theoretical article aimed at enabling army leading and commanding cadres to deeply understand Resolution No. 26 of the Political Bureau on strengthening party leadership over youth work at this juncture. The article begins by saying:

From its initial organization comprising only eight patriotic teenagers trained by President Ho Chi Minh to be its first nuclei, the HCMCYU has quickly matured, scored great achievements, and attained extraordinary growth. Under the party leadership, the Vietnamese revolutionary youth forces have developed as vigorously as flowers in the springtime of the Ho Chi Minh era, an extremely glorious era of our nation. Over the past 55 years, led and educated by the party and benefiting from President Ho Chi Minh's concern, the youth political organization has ceaselessly developed along with the tempestuous growth of the Vietnamese revolution in various periods. From the Revolutionary Youth League [thanh nieen cach mang dquoongf chis hooij], the Communist Youth Union [dquoanf thanh nieen coongj sanr], the Democratic Youth Union [dquoanf thanh nieen daan chur], the Anti-Imperialist Youth Union [dquoanf thanh nieen phanr dees quoocs], the National Salvation Youth Union [dquoanf thanh nieen cuwus quoocs], and the Working Youth Union [dquoanf thanh nieen lao dquoongj] to the HCMCYU of today, the youth organization has always proven itself worthy of being the assault unit of the revolution, the reserve force of the party, and the factor deciding all victories of the Vietnamese youth movement.

Comrade Chu Huy Man goes on to point out our youth forces' extremely great role, capabilities, and strength which have been confirmed by historical realities over the past more than one half century of revolutionary struggle and to which youths in the people's armed forces have made very important contributions. After highlighting the strong points as well as the still weak aspects of young people in general and of youths in the army in particular that need to be overcome at present, the article says:

Our party always holds that youth motivation work is a strategic issue of the revolution and a very important political task of the party. This is because satisfactorily carrying out youth work will not only help fulfill the immediate tasks but will also guarantee the ceaseless continuation and development of our regime and ensure the Vietnamese nation's shining present and future.

At present, our country is in the initial stage of the period of transition to socialism, and the struggle between the two roads is proceeding fiercely in all fields. The country simultaneously enjoys peace and has to cope with a multifaceted war of sabotage and a border war of land-grabbing waged by the Chinese expansionists and hegemonists in collusion with the U.S. imperialists and other reactionary forces. In the world, the struggle between the socialist and capitalist system and between the three revolutionary currents and warlike imperialism is raging fiercely. The enemy is seeking by all means to take advantage of the difficulties, shortcomings, and negative phenomena in social life to agitate, poison, and attract youths, hoping to blacken and corrupt the entire younger generation, the reserve force of the party and the people who will carry on the revolutionary cause.

This situation requires that the direct, overall party leadership over youth work be strengthened and the responsibility of the system of proletarian dictatorship for this work be upheld. President Ho Chi Minh taught us: For the sake of our interests in the next 10 years, let us cultivate trees; for the sake of our interests in the next 100 years, let us cultivate people. Before leaving us forever, President Ho advised: Fostering the future generations of revolutionaries is a very important and necessary undertaking. The resolution of the Fifth Party Congress clearly pointed out: Actively training youths to be fully developed new people to faithfully and outstandingly carry on the cause of the party and nation is a task of special importance.

Fully comprehending President Ho Chi Minh's thought and implementing the Fifth Party Congress' resolution, the Party Central Committee Political Bureau has issued a resolution on intensifying party leadership over youth work. This is an extremely important document, which manifests the party's basic viewpoints and thoughts in the strategy to turn youths into new socialist men.

The contents of the document also define the guidelines for youth work, youth motivation methods and party leadership over youth work in the new stage of our present revolution. Youths in the Army constitute a component of the youth force throughout the country and the largest assault force in the implementation of all tasks in all units.

By firmly grasping and satisfactorily implementing this resolution of the Party Central Committee Political Bureau in the entire Army, we will contribute worthily not only to the improvement of the fighting strength of the Armed Forces, but also to the struggle to shape a new type of socialist man for our country. This is a great political responsibility of all party organizations, commanders at various levels, and youth union organizations and also a glorious responsibility of all youths, cadres, and combatants in the People's Army.

To carry out satisfactorily the task of motivating youths, it is particularly important to assess accurately the present real situation of youths in general and young soldiers in particular as well as to identify clearly the cause and responsibility of each organization, echelon, and person in the struggle to comprehend and implement this resolution of the Party Central Committee Political Bureau among various units.

Next, Comrade Chu Huy Man points out: Under an administration that is led by the party, youth motivation is a political task of strategic significance of the party and, at the same time, the responsibility of the entire system of proletarian dictatorship. In the Armed Forces, youth motivation is an important and permanent political task of party organizations.

The youth union organization--the political organization of youths--of a unit must, first of all, identify clearly its main responsibility in directly organizing the execution of the policies of the party committee and instructions of the commander concerning youth work in that unit.

Youth motivation work in the Army must be focused on fulfilling all the specific tasks of a unit such as ensuring combat readiness, fighting, engaging in productive labor and economic building, performing internationalist duty, participating in party building, educating and training youths in developing their active role, and resolutely overcoming all manifestations of negativism.

The main requirement of youth motivation work is to develop to a high degree the spirit of socialist collective mastery, initiative, and creativity and the great capabilities of youths in the struggle to ensure combat readiness and victories and to fulfill all revolutionary and military tasks with high quality and efficiency and, through this, to develop the function of youth union organization as schools of communism that educate and foster youths in accordance with the requirements of the new socialist man so that they can grow constantly and contribute most effectively to the fatherland and revolutionary cause.

It is necessary to combine closely and harmoniously the interests of society, collectives, and individuals. In building youth union organizations, we must pay attention to the main part, that is, to make those at the grass-roots level firm and strong. It is necessary for all leading and commanding echelons to stay close to the grass-roots level--the places where youths are fighting, undergoing training, and working.

Activities of youth union organizations must be carried out substantively and in such a way as to ensure quality and efficiency and must not be allowed to fall into formalism, although attractive forms are very necessary for youths.

The movement for revolutionary action of youth union organizations must be carried out under practical forms and in such a way as to follow closely the implementation of political tasks among various grass-roots units and localities and the struggle to shape and foster a new type of man and further

develop and strengthen youth union organizations. It must also be focused on the fulfillment of all combat and other duties of the army and economic and social targets set forth by the party.

Developing the assault function of the youth union is the most vivid educational measure to bring into full play the sense of collective mastery and dynamism of youths. It is necessary to motivate and arrange for them to tackle the most difficult and unpleasant jobs or to go to places where they are needed by the party, country, and army to fulfill heavy tasks under harsh and complex conditions in accordance with their function without interfering in the functions of other organizations.

Meanwhile, the youth union must serve as an assault force in the struggle to oppose negativism and safeguard revolutionary gains. On the ideological and cultural front, the youth union must focus its assault role on shaping a new type of man, a new lifestyle, and a healthy spiritual and cultural life; opposing negativism; eradicating superstition and corrupt customs; and struggling against decadent ways of life.

A good performance of youth motivation work in the new stage is also of great importance to party building. The most important thing in developing the youth movement and youth union activities is that we must strengthen the leadership of various party committee echelons over youth motivation work. We must ensure that all party organizations, cadres, and members clearly identify the strategic importance of youth motivation work in the new stage so that they can set forth political tasks for youths.

Along with clearly determining operational objectives and guidelines for the youth union, great attention must be paid to replenishing and streamlining youth union organizations and fostering responsible and professional youth union cadres at various levels in terms of quality, ability, and experience in youth motivation work.

In strengthening party leadership over the youth union and youth motivation work, it is necessary to concentrate on the important part, that is, to intensify the leadership of party organizations and simultaneously make party organizations at the grassroots level and youth union organizations firm and strong. Party committees and commanders at all levels--especially those at the grassroots level--must periodically issue resolutions and advance plans on leadership over youth work. They must also include this work in the operational programs of their units and provide guidance and assistance for the inspection of youth union organizations' activities.

The endeavor to strengthen party leadership must be reflected in the effort to develop the role of party members in their close relationship with youths. All cadres and party members--especially senior cadres and party members--should realize clearly that fostering and caring for youths is their heavy responsibility and source of happiness. In face of the turning points of the revolution and at a time when the situation is rife with complexities and requires that we overcome all difficulties and fulfill all heavy tasks, this responsibility becomes even heavier.

Cadres and party members should train themselves, improve their knowledge, and be shining examples in their desire for progress and in their lifestyle for youths to follow. They should also give youths thoughtful and useful advice and make themselves truly worthy of being the faithful youth leading generation.

In strengthening party leadership, we must also pay attention to preventing and overcoming paternalism, bureaucratism, and commandism, which could cause serious obstacles to youth motivation work, and struggle resolutely to overcome the situation in which cadres and party members alienate themselves from the people or fail to pay attention to mass motivation work, thus causing them to lose the influence of leadership over the masses.

Finally, the article concludes: Our entire party and people are confronting many heavy and important tasks for 1986--the first year of the 1986-90 5-year plan and the year in which the Sixth Party Congress will be held. These tremendous tasks demand that our entire people and armed forces exert great efforts in terms of will, ability, and creativity. As the party's assault force, youths are also duty-bound to fulfill successfully these tasks.

By changing the leadership over youths and the youth union in accordance with the guidelines laid down in the Party Central Committee Political Bureau's resolution, it is certain that the role of youths will be further promoted and their movement for revolutionary action will be vigorously developed in the rising socialist emulation movement of our entire armed forces and people.

Let our youths, both inside and outside the army, emulate enthusiastically in scoring many new achievements in the struggle to build socialism and defend the fatherland so as to be worthy of being youths of the Ho Chi Minh era and to realistically commemorate the 55th founding anniversary of the Ho Chi Minh Communist Youth Union.

/9716

CSO: 4209/469

NHAN DAN COMMEMORATES LENIN'S BIRTHDAY

BK241017 Hanoi Domestic Service in Vietnamese 2300 GMT 21 Apr 86

[NHAN DAN 22 April editorial: "Let Us Learn From the Thoughts, Virtues, and Lifestyle of Lenin"]

[Text] Today, together with the people in the Soviet Union and throughout the world, our people commemorate the 116th birth anniversary of the great Vladimir Ilyich Lenin.

Lenin's noble and great cause will endure forever. As an outstanding successor of Marx and Engels, Lenin comprehensively developed Marxism and turned it into an exclusively correct revolutionary doctrine that has changed the face of the world.

Over the past 60 years and more, by following the path of Lenin, the CUSP -- the party of the great Lenin -- has led the Soviet working class and people in military exploits and successes unprecedented in society, thus making the Soviet Union a powerful socialist country and a solid fortress of peace and social progress in the world.

The 27th Congress of the CPSU, its newly revised platform, and the political report read by Comrade Gorbachev at this congress manifest strikingly the unconditional loyalty of the party to Lenin's thoughts, cause, and lifestyle. The 27th CPSU congress was a political event of great importance in the life of the Soviet people and a new glittering milestone in the history of the development of the Soviet Union. It was also an event of extremely great international significance.

The new Soviet peace initiatives, which manifest Lenin's great thoughts concerning the preservation of peace, are penetrating deeply the minds and hearts of hundreds of millions of people on this planet, who are determined to struggle against the U.S. nuclear arms race.

This year, to realistically celebrate Lenin's birth anniversary our entire party, people, and army have striven to learn from his thoughts, virtues, and lifestyle so as to successfully fulfill their immediate important tasks -- exerting all-out efforts to implement the resolutions of the party Central Committee's Eighth and Ninth Plenums, gradually stabilizing the socioeconomic situation, satisfactorily preparing for the convening of local party

congresses at various levels and the Sixth National Party Congress, and applying the new system of economic management.

Meanwhile, we must continue consolidating national defense and maintaining political security and social order; resolutely oppose all manifestations of negativism, especially theft of socialist property and dishonest business; struggle against the enemy's land grabbing attacks and multifaceted war of sabotage; and fulfill our international duties.

It is necessary to launch a mass revolutionary movement to help overcome all difficulties, boost production, increase productivity, and improve the quality of products and economic efficiency. It is also necessary to practice thrift in production and daily life, stabilize step by step the circulation and distribution of goods, and ensure the autonomy of grass-roots economic units in production and business for outstanding achievements in honor of the Sixth Party Congress.

Following the examples of Lenin and Uncle Ho, cadres and party members must constantly foster the ideal of communism, patriotism, and a love for socialism; improve their revolutionary quality; sacrifice everything for the sake of the socialist fatherland and the peoples' happiness; lead an honest, simple, and healthy life; and stay close to the masses.

It is necessary to carry out most satisfactorily the drive for self-criticism and criticism so as to realistically prepare for the convening of party organization congresses at various levels. Through this drive, efforts must be made to develop strong points and overcome shortcomings; uphold the sense of responsibility, organization, and discipline; and strengthen unity and unanimity in the party.

The reactionary nature of the Chinese expansionists and hegemonists has not changed in the least. Working hand in glove with the U.S. imperialists and other reactionary forces, they pursue relentlessly a frantic policy of hostility toward our people and the peoples of the other Indochinese countries.

Let our army and people constantly heighten vigilance and step up the struggle against Chinese expansionism and hegemonism in collusion with U.S. imperialism, persistently fight for the defense of their sacred fatherland, and fulfill their obligations to the fraternal peoples of Lao and Cambodia.

Our people have always united closely and cooperated comprehensively with the Soviet Union and other fraternal socialist countries and with the people of the world in struggling against the arms race, aggression, intervention, terrorism and the policy of colonialization of U.S.-led imperialism, and for peace, national independence and socialism.

President Ho Chi Minh said: By following the path laid down by the great Lenin -- the path of the October revolution -- the Vietnamese people have recorded many great achievements. It is for this reason that the Vietnamese people's attachment and gratitude to the glorious October revolution, to the great Lenin, and to the Soviet people are profound.

Commemorating Lenin's 116th birth anniversary, let us express our sincere and profound gratitude to the communist party, government, and fraternal people of the Soviet Union for their extremely valuable assistance and support in the spirit of brilliant socialist internationalism for the struggle to construct and defend our socialist fatherland.

To realistically celebrate Lenin's birth anniversary, let us emulate in carrying out productive labor; practicing thrift; and gradually stabilizing the market, prices, and life so as to score many new achievements to honor the Sixth Party Congress.

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CSO: 4209/473

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

VIETNAMESE OFFICIAL IN USSR--Kzyl-Orda--A delegation from Vietnam, included in which were secretaries of several provincial committees of the Communist Party of Vietnam, was along the lower reaches of the Syr-Dar'ya River--the largest rice growing area in Kazakhstan, for 10 days. The meeting of representatives from the fraternal Republic of Vietnam with workers from the "Teren-Uzyakskiy" Sovkhoz and Collective of the Soviet-Vietnamese Friendship Society was warm and cordial. [By K. Imanberdiyev] [Text] [Moscow Selskaya Zhizn in Russian 2 Apr 86 p 4] /12232

CSO: 1807/237

SPEECH REVIEWS HAIPHONG'S FIGHT AGAINST WAR OF DESTRUCTION

Haiphong HAI PHONG in Vietnamese 28 Jan 86 pp 1, 2, 3

[Text of speech by Pham Hung, member of the Political Bureau, vice chairman of the Council of Ministers, and minister of interior, at the conference of all cadres of the municipality to have a preliminary review of the implementation of the Municipal CPV Committee's resolution on fighting the enemy's multifaceted war of destruction: "Stepping up the Fight To Win in the Enemy's Multifaceted War of Destruction"]

[Text] Under the leadership of the Municipal CPV Committee, the Municipality of Haiphong is the locality where leadership and guidance have been developed at the earliest time in all of the party, population, and army for resolutely smashing the multifaceted war of destruction of the Chinese hegemony-advocating expansionists in collusion with the American imperialists.

I am very glad to have had the opportunity to attend the conference for the preliminary review of the implementation of the resolution organized by the Municipal CPV Committee on 15 January 1984.

This time I am even more glad to attend this preliminary-review conference after the resolution has been implemented for 3 years, for each time I come to Haiphong, I always find new progress, new victories in all aspects, which are very encouraging and include the implementation of Resolution No 01 of the Municipal CPV Committee.

Let me express my warm greetings to the members of the Municipal CPV Committee and Municipal People's Committee; the leaders of committees, sectors, and mass organizations in the municipality; the key leaders of districts and wards; the representatives of the arms and services of the people's army stationed in the municipality; and all comrades attending this conference.

With enthusiasm and affection in my heart, let me welcome the great victories of the party organization, army, and people of the Municipality of Haiphong.

Our conference is being held following the completion of the 1981-1985 5-year plan; while we are urgently implementing the resolutions of the Eighth and Ninth Plenums of the CPV Central Committee and the 10th session of the Seventh National Assembly; and after the Haiphong Municipal CPV Committee has recently

adopted many very important resolutions aimed at implementing the Central Committee resolutions, particularly the resolution of the 17th Municipal Party Organization Conference on the "1986 Work Tasks." These are the very basic foundations for our conference to obtain good success.

Haiphong is a municipality playing a very important role, having the largest port of our country, and being one gate we have that opens to the four seas and five continents. It is also a locality having the tradition of gallantly fighting foreign aggression in the old days, and in the wars of resistance against France, America, and the Chinese reactionary aggressors it has scored extremely glorious feats of arms. In the 30 years since the liberation of the municipality, the party organization, army, and people of Haiphong have fought continuously and scored many achievements in the transformation and construction of the municipality aimed at making it stronger, richer, and more beautiful to forever deserve the very fine words our beloved Uncle Ho had awarded to the party organization, army, and people of Haiphong--"Loyal, Brave, Determined To Win."

Upholding this "Loyal, Brave, Determined To Win" tradition, in the past years the party organization, army, and people of the municipality fought very hard, were very dynamic and creative, and won many victories in many fields. They fulfilled and overfulfilled many socioeconomic goals set by the Eighth Municipal Party Organization Congress to mark an important forward step of Haiphong. The fact that in 1985 you attained a rice crop yield of over 7 metric tons/hectare and have set the goal of 9-10 tons/hectare as a practical possibility in the coming years is an unprecedented victory in Haiphong, which along with developed animal husbandry and increased pork output, has marked the development of its agriculture gradually moving toward the socialist large-scale production. Industry, small industry and handicrafts, catch and culture of marine products, and salt production--all attained the plan goals; new lines of goods were expanded, with the quality of consumer goods and goods for export being improved; many gold medals were won at the Second National Economic and Technical Exhibit. Capital construction continued to score great achievements, with 50 projects having been completed and 25 others being partially mobilized to serve production and everyday life. Local transportation was strengthened to serve the construction and production requirements and to step up domestic circulation of goods. The percentage of retail sales made by socialist commerce was more than 70 percent. There were better changes in the fields of culture, education, public health, and so on. Security and order were maintained; there were fewer violations of socialist properties and other criminal offenses. The military work was properly completed. The mass movement for revolutionary action was developed relatively evenly. The living standard of farmers continued to be improved in terms of food, clothes, housing, and so on; the movement to put tiles on every roof attained a rate of 80 percent. The social work showed obvious results in caring for the wounded soldiers, relatives of dead heroes, and elderly and lonely people, particularly in fighting the six social ills in conjunction with the movements to build the new way of life and new cultural families, to practice family planning, and to reduce the rate of population increase; the implementation of the resolution of the Eighth Plenum of the CPV Central Committee has for the first time created new changes in switching the

management mechanism from bureaucratic centralism and state subsidies to economic accounting and socialist business practices.

The above-mentioned achievements have an extremely important significance for ending the term of the Eighth Municipal Party Organization Congress and are opening very promising prospects for the municipality to start fulfilling the 1986 plan and the 1986-1990 5-year plan and to move toward scoring greater victories.

On behalf of the CPV Central Committee and the Council of Ministers, I warmly welcome the achievements and progress made by the party organization, army, and people of Haiphong.

I fully agree to the preliminary-review report of the Municipal CPV Committee this time. As I continue the thoughts and ideas that I expressed at the preliminary-review conference of 15 January 1984, today I want to speak about these two issues in order to contribute to the leadership of the Municipal CPV Committee over the continued implementation of Resolution No 01:

--One, about the results of the implementation of Resolution No 01 of the Municipal CPV Committee in the last 3 years.

--Two, about stepping up the fight to win the enemy's multifaceted war of destruction in the time to come.

I. Results of Implementing Resolution 01

In the light of the Fifth Party Congress resolution, all our party, people, and army have overcome innumerable difficulties caused by natural calamities and enemy-inflicted misfortunes, have scored great and very basic victories in socialist construction and in defending the socialist fatherland, and have set the preconditions for us to move toward the next 5-year plan.

In 1985, although successive storms, floods, and droughts took place in many localities, the grain output of the country as a whole still increased by 400,000 tons over 1984, with industrial crops of various kinds, animal husbandry, and production of marine products all showing good development. The value of industrial production increased by 7.4 percent. A number of the key projects showed good work execution speed and were completed and put to use. Communications and transportation, education, public health, and the social field all showed progress.

The Nam Bo provinces basically completed the cooperativization of agriculture; the transformation of private industries and commerce and market management were further strengthened. The socialist commercial network continued to expand. Considerable progress was made in purchasing farm products and controlling the goods produced by small industry and handicrafts. The currency obtained from export increased by 7.6 percent over 1984.

Many enterprises and districts, which fully understand the resolutions of the Sixth, Seventh, and Eighth Plenums of the CPV Central Committee, are reorganizing production, abolishing bureaucratic centralism and state

subsidies, and adopting economic accounting and socialist business practices. Many sectors, localities, organs, and enterprises are continuing to check their management machineries, to abolish the unnecessary intermediary links and procedures, to reduce their staffs, to raise the effectiveness of their production and business, to demonstrate clearly the tendency to move forward and new progress, and to generate new positive factors that need to be further improved and exploited.

As we ended the 1981-1985 5-year plan, in spite of very many difficulties, our people have scored great victories, generated new positive factors, and created favorable conditions for moving forward. In addition to that, our country's economy still encountered serious difficulties, with a great deal of tension still existing in the various aspects of the economy in need of balance. The Chinese hegemony-advocating expansionists, in collusion with the American imperialists and other international reactionary forces, were fiercely waging a kind of multifaceted war of destruction against our country, Laos, and Cambodia, with more villainous, shrewd, and dangerous maneuvers, as they hoped to carry out the design of expanding into Southeast Asia and creating a tense situation in the Asian-Pacific region. They increased infiltrating into our territory and internal ranks and secretly made contact with the reactionaries in the country for the purpose of building bases, creating forces to secretly carry out the "uprising from within, attack from without" design, and causing disturbances and rebellion aimed at overthrowing within our ranks. The negative socioeconomic situation was still widespread and serious; crimes and social ills were increasing in complex forms, and in addition, additional difficulties were caused by natural calamities. That situation has further turned the struggle between us and the enemy, the struggle to resolve the issue of "who defeats whom," into a bitter, complex, and decisive one.

In recent years the party and state have adopted many important resolutions of strategic significance in terms of defense of the fatherland. These resolutions are aimed at ceaselessly consolidating national defense and security and making Vietnam stronger and stronger every day and ready to deal with the enemy. Implementing these party and state resolutions, the party committee echelons and people's committees at all levels have been strengthening their leadership to fulfill the tasks of defending the fatherland, protecting national security, and maintaining social order and security. They have made obvious progress in national defense and security work, in steadily protecting the borders and national waters, and in maintaining internal security; discovered and suppressed many espionage and reactionary acts; prevented enemy plots aimed at inciting armed rebellion and sabotage; and at the same time actively strived to reduce violations of socialist properties and other criminal acts.

We can say that the resolution on fighting the enemy's multifaceted war of destruction was one of the resolutions that the party committee echelons were constantly interested in in order to provide good leadership as they closely combined fulfilling the socioeconomic tasks with fighting enemy sabotage and other crimes. As they linked security work with national defense, guarding political security with maintaining social order, and protecting our internal ranks with building clean and strong internal ranks and fighting negative

activities, they were able to score remarkable achievements in the fight against enemy sabotage and for reducing other crimes. As they mobilized all forces, launched a widespread mass movement to maintain security for the fatherland, and actively fought against the enemy's war of destruction, political security and social order in general were ensured. These results have positively contributed to the successful fulfillment of the tasks and socioeconomic goals of the state.

The Haiphong party organization, where an early implementation of the resolution was developed, has many good experiences and has obtained relatively total results as the preliminary-review report of the Municipal CPV Committee points out. It has assumed strict and uniform leadership; has shown a thorough understanding of the contents of the resolutions of the Central Committee and Eighth Party Organization Congress, which were materialized in Resolution No 01 of the Municipal CPV Committee; and has drafted positive plans to guide the local committee echelons, administrations, committees, sectors, and mass organizations in implementing them. It has linked the implementation of the resolution with the resolutions of the Fourth, Fifth, Sixth, Seventh, and Eighth Plenums of the CPV Central Committee, for the purpose of successfully fulfilling the socioeconomic goals set by the Eighth Party Organization Congress.

With such a total and profound leadership, the party organization, army, and people of the Municipality of Haiphong have shown a high determination in carrying out the party resolutions, in terms of both their sense of responsibility and their leadership over positive activities to develop a combined strength being reflected in both making ourselves strong and actively preventing and continually attacking the enemy, and have scored greater and greater victories in the fight to defeat the enemy in their multifaceted war of destruction.

--In the field of economic protection, the Municipal CPV Committee and party committee echelons paid attention to assuming leadership over closely linking production development with protection of production, and economic construction with economic protection, particularly in the key zones. The association between the economic sectors and the sectors in charge of protecting the economy became closer, with the creation of a number of uninterrupted-protection clusters and the forming of an association front to maintain security both in organs and enterprises and on the streets and in subwards and villages. This is a good experience that needs to be studied, applied, and further developed. The foreign-trade economic sectors and sea transportation sectors were gradually reorganized, with stricter requirements, bylaws, and discipline being prescribed. Violations of socialist properties were decreased every year; thanks to coordinated and tighter protection, the transporting of tens of thousands of tons of grain, gasoline and oil, fertilizers, materials, and military goods suffered losses of decreasing proportions. The Municipal People's Committee organized many seminars on strengthening economic protection and fighting enemy sabotage, violations of socialist properties, and internal negative acts, which resulted in further developing the collective ownership right of cadres, workers, and civil servants, and in clearly defining the responsibilities of the leadership echelons in the task of protecting the economy.

--In the field of cultural and ideological protection, the Municipal CPV Committee attached importance to management, education of cadres and party members, and creation of a high degree of political and ideological unanimity in the party organization and among the people of the municipality. It attached importance to the movement to build the new way of living, the new cultural family, and the new socialist man, in many lively and creative forms; created an enthusiastic revolutionary spirit in all strata of the population; refuted the psychological-war arguments; and limited the negative aspects in everyday life. The Municipal CPV and People's Committees also paid attention to assuming leadership over successfully resolving the six social ills--gambling, opium smoking, prostitution, unlawful distillation of alcohol, superstition, and involuntary wandering--so as to wipe out gradually the negative aspects of society, of which the enemy could take advantage to sabotage us.

--About maintaining security and national defense, because of their awareness of Haiphong's important role in the socialist construction and defense of the socialist fatherland, the Municipal CPV Committee and people of Haiphong paid a great deal of attention to building the two forces--the people's army and the people's public security force--and making them clean and strong, and gradually mature politically and ideologically, and in terms of working, combat, and combat readiness capacities. The two forces have made much progress and have scored many achievements in their hard-core role in the fight against the enemy's multifaceted war of destruction; at the same time, attention was paid to closely combining security with national defense, and security-national defense with the economy, effectively carrying on the "get rich and fight to win" program, and actively contributing to the task of transforming and building the municipality.

The Municipal CPV and People's Committees also paid attention to assuming "leadership over the management of household and family registration," a very basic work that has a topmost importance in public security work, now and in the future. The results of the management of household and family registration not only contributed to successfully fulfilling the socioeconomic goals of the municipality but also assisted all sectors and mass organizations in fully understanding the situation and maintaining better internal management, particularly in dealing with the counterrevolutionaries and other criminals, for the purpose of actively depriving them of favorable conditions for their illegal activities and gradually wiping out the conditions that would give rise to crimes.

In the last 3 years, the party organization, army, and people of the Municipality of Haiphong were able to do very many things. The municipality's economic, social, security, and national defense situation was improving everyday for the better. The entire municipality is becoming an enthusiastic production and construction site, a dynamic socialist market, and a good location in terms of security and national defense.

Although progress and achievements were made in the last 3 years, compared to the needs imposed by the revolution and in the face of the enemy's unrelenting sabotage plots and activities, there still were shortcomings and failures that

must be carefully analyzed, with appropriate measures to be taken to quickly overcome them. Cadres, party members, and the people still failed to remain vigilant, to recognize keenly the enemy's shrewd plots in order to have high determination and to fight vigorously to thwart their plots and activities, nor to be aware of their full responsibility for construction and defense of the municipality in the face of the new situation and task. Internal protection still remained loose and neglected, particularly in the port area; in the foreign-trade economic organs and overseas transportation, international smuggling showed complicated development; more vigorous fighting was needed against the negative situation in many organs and enterprises, as materials and goods in large quantities still left the socialist economy and became available outside of it; markets and prices still showed complicated changes. Speculating, smuggling, and making counterfeit goods and western medicines remained quite serious and proved that prevention, control, and protection had been weak. Preventing and punishing criminals' activities--murders, robberies, thefts, and so on--still failed to satisfy the needs that would bring peace of mind to cadres and the people.

The above-mentioned situation requires that the party organization, army, and people of the Municipality of Haiphong further develop the strengths and achievements they have obtained; quickly overcome their shortcomings so as to accelerate further the implementation of the resolution in a positive, effective, and total manner and in all fields; ceaselessly and further improve quality; and ensure maintaining political security and social order, which is a favorable condition for fulfilling the municipality's economic and social tasks and making positive contributions to scoring greater and greater victories in the socialist construction and defense of the socialist fatherland.

II. Stepping Up Fight Against Enemy War

The year 1986 plays a very important role because it is the year that opens the fourth 5-year plan and holds the Sixth Party Congress. It must be the year that upholds the collective ownership right of the working people, renews the economic management mechanism, abolishes bureaucratic centralism and state subsidies and switches to economic accounting and socialist business practices, steps up production, maintains distribution and circulation, controls markets and prices, fights against negative aspects, and firmly punishes speculators and smugglers, for the purpose of successfully implementing the resolutions of the Eighth and Ninth Plenums of the CPV Central Committee in order to concentrate our efforts on fulfilling the most important tasks and the most urgent needs, gradually stabilizing the economic and social situation and the standard of living, creating sources of accumulation, and preparing favorable conditions for more vigorous development in the coming years.

In this situation, the task of defending the fatherland and fighting the enemy's multifaceted war of destruction will be very demanding and more urgent. About the contents of the fight against this multifaceted war of destruction in the time to come, we must fully understand the central strategic tasks and guidelines for the current security work, which are to thwart the plots and maneuvers aimed at inciting sabotage, armed rebellion,

and overthrow within our ranks, and at the same time urgently carry on the fight against speculation, smuggling, making of counterfeit goods, and negative aspects; protection of socialist properties; and maintaining of social order and security. We must be highly vigilant; discover, deal with in time, and let nobody--the enemy and other criminals--commit acts of sabotage and incitement of disturbances and armed rebellion; and strive to protect our internal security and to actively build up our strength in every aspect.

The Municipality of Haiphong enters the fourth 5-year plan with its achievements of the past 5 years. With its struggle full of revolutionary spirit, with a momentum generated by the switch from management based on bureaucratic centralism and state subsidies to economic accounting and socialist business practices, it is moving forward to score greater victories in the following years.

About its 1986 guidelines and tasks, the resolution adopted by the 17th Conference of All Members of the Municipal Party Organization Executive Committee has this to say: "Make 1986 a year having strong changes resulting from renewing the economic management mechanism, strengthening social management, improving organization, reorganizing production and labor, rearranging cadres' work, and changing the way of doing things, first of all at the basic level and for serving this level; and a year in which quick pace, good quality, and great results will be obtained, with steady steps to be taken in all fields of activities, particularly in production, distribution, and circulation, and contributions to be made to stabilizing further the socioeconomic situation and the standard of living, strengthening national defense, building the party, mobilizing the masses, and preparing for more development in the subsequent years."

With the strong conditions of the municipality, with the dynamic and creative qualities of the party organization, army, and people of Haiphong, I strongly believe that you will overcome all difficulties and challenges, successfully fulfill the 1986 socioeconomic tasks and goals, and along with the rest of the country actively contribute to scoring new victories in implementing the resolution of the Ninth Plenum of the CPV Central Committee.

About the task of fighting to win the enemy's multifaceted war of destruction, I offer you these additional ideas:

1. First of all, it is necessary to make cadres and party members at all levels of the party organization and administration, mass organizations, and all residents of the municipality have a profound understanding of our country's present situation, which requires that under any circumstances they strive to fulfill successfully the two strategic tasks--successfully to build socialism and to defend the socialist Vietnamese fatherland strongly.

These two strategic tasks cannot be separated from each other. Strive to build socialism and to make our country stronger in every aspect so as to win any large-scale enemy aggressive war and to defend the fatherland strongly. Strengthen the country's defense and win the enemy's multifaceted war of destruction in order to create favorable conditions for successfully building socialism.

The Chinese hegemony-advocating expansionists, in collusion with the American imperialists and other international reactionaries, are waging a kind of multifaceted war of destruction against our country and fraternal Laos and Cambodia. They are madly attacking and counterattacking to oppose our people's socialist construction in the political, ideological, economic, cultural, military, and diplomatic aspects of our social life as they hope to destroy and weaken our country and then to move toward overthrowing and conquering us.

The socialist fatherland is not only a geographic concept involving land, rivers and mountains, and territorial waters and airspace but also the socialist system, with the new socialist man, economy, and culture. It is also the Communist Party, the nucleus of the proletarian dictatorial system and the force that leads and organizes every victory of socialism. That is why defending the socialist fatherland does not solely mean protecting our sovereignty and territorial integrity, and not letting the enemy violate a single inch of the fatherland's territory. Defending the socialist fatherland also means protecting the political installations of the socialist system, the line and organization of the CPV, the proletarian dictatorial state, the solidarity bloc of peoples, and the worker-farmer alliance. Protect the socialist economy and culture, and the pure Marxist-Leninist ideology in every step of its development in our country's socialist construction.

The enemy's weapons are always aimed at the Communist Party because the party is the leading force of the proletarian dictatorship, the worker class' pioneering unit, and the working people's staff in the struggle for building and developing the new socialist society. Therefore, it is necessary to pay special attention to protecting the party in all political, ideological, and organizational aspects and fighting the extremely villainous plots of the worker class's enemy to destroy the party.

By going through the lively realities in the fight against the enemy for defense of the fatherland, we understand more profoundly the Leninist argument to the effect that defending the socialist fatherland is also "protecting socialism in connection with the fatherland."

It is obvious that every socialist achievement, no matter how great or small, unless it is carefully protected, can be destroyed by the enemy and thus deprived of a base for continued development. Therefore, "protecting socialism in connection with the fatherland" must become a habit in the thinking and action of every communist party member and every socialist citizen in any field of activity. The concept of protection must widely and permanently attach itself to the normal daily work in connection with our regular work, labor, production, and combat in the construction and defense of our fatherland.

Since the great victory in the spring of 1975, when the country was reunified and was moving toward the socialist revolution, our party has been upholding the law about defending the socialist fatherland in the present era, showing a keen understanding of the new manifestations of the class struggle between the revolutionary and counterrevolutionary forces in the world, and correctly

evaluating the state of our country's class and national struggle; as a result, it has been able to determine a correct and creative line on the socialist construction and defense of the socialist fatherland suitable for the actual situation and requirements of our country's national construction and defense.

The movement and development of the Vietnamese revolution in the period of transition to socialism and the contradictions between the capitalist and socialist roads and between the bourgeoisie and proletariat will inevitably create forces that resist the revolution from within our country. Meanwhile, the counterrevolutionary forces outside of our country which are carrying out the plots to invade, destroy, and conquer our country still exist. They are the American imperialists, the basic and long-term enemy of the Vietnamese and world revolutions, and the Chinese hegemony-advocating expansionists, the direct and dangerous enemy of the Vietnamese revolution. The collusion between the Chinese hegemony-advocating expansionists and the American imperialists threatens national independence, peace, and stability in Indochina, Southeast Asia, and the world.

The Fifth Party Congress pointed out in a general manner the Chinese reactionaries' plots and maneuvers in the style of the multifaceted war of destruction: "At present, the Chinese reactionaries, joined and supported by the Americans, are waging a kind of war of destruction against Vietnam on the military, political, economic, and cultural fronts with many different forces and many very villainous maneuvers. They send their troops to our northern border to provoke local armed conflict, wage a war of encroachment to bite portions of our territory along the border, and at the same time actively prepare for large-scale aggressive war. By means of psychological and espionage warfare, they strive to destroy us in the political, ideological, and organizational fields; carry on plots to divide nations and the people from the party; and secretly build reactionary forces and organize resistance activities in order to incite rebellion and overthrow. They destroy our economy and production, join with the imperialists in imposing an embargo policy, and at the same time disseminate the poison of reactionary and decadent culture. They seek every way to smear the Vietnamese image. China also colludes with America, rallies the reactionary lackey forces, and attracts the ASEAN countries in order to undermine the Cambodian and Lao revolutions. All of these hostile acts are part of China's strategy of resisting the national independence and socialism in Vietnam and the three Indochinese states, which it hopes to weaken, in order to move toward conquering our country and all of this region."

The enemy's war of destruction thus consists of many facets--military, political, economic, cultural, and so on--which play their own role and have interactive relationships in terms of the various forms and maneuvers; it makes full use of military force for launching encroaching attacks and armed conflict on the border and espionage, psychological, economic, diplomatic, and other warfares. And it is obvious that in their multifaceted war of destruction, the enemy's design is to conquer our country and it remains their highest objective. Their activities are aimed at preventing the development of our country's economy, making life more difficult, reducing our revolutionary determination, destabilizing our political situation, disturbing

our security and order, and so on; and at the same time, they actively send spies and commando troops to infiltrate our ranks and to organize the reactionaries, with the hope to create a reactionary political force for sabotage right in the heart of our country, to weaken us totally, and to force us to submit to their power and to enter their orbit, as they hope to conquer our country without having to resort to large-scale aggressive war. In the case this multifaceted war of destruction can only weaken us and fails to conquer our country, this weakening resulting from their destruction will be a favorable condition for them to launch a large-scale aggressive war in order to fulfill their goal of conquering our country.

I am reminding you of the above facts because I hope that each and every one of us will have a profound understanding of the situation and revolutionary tasks of our country, always maintain vigilance, recognize the enemy's extremely shrewd and dangerous plot, and thereby clearly see the urgency of having to move forward, to gain time, to struggle resolutely to overcome all difficulties, and to strive to fulfill successfully the socioeconomic tasks and goals set by the Fifth Party Congress for the first phase of the transitional period, which are, as the immediate steps to take, striving to implement successfully the resolutions of the Eighth and Ninth Plenums of the CPV Central Committee; doing our best to make our country strong in all political, social, economic, national defense, and security aspects; creating the very basic conditions for smashing the enemy's multifaceted war of destruction; and preventing, repelling, and thwarting the enemy's plot to launch a large-scale aggressive war, if they really dare to do so.

With a sense of self-reliance and responsibility, every sector, locality, installation, and individual, in whatever field and position he may be, must try to work with high productivity, quality, and effectiveness, while absolutely practicing thrift; at the same time, always remain vigilant in the face of the enemy's destructive plot and activities; fight against all negative aspects; protect socialist properties; be masters in production, distribution, and circulation; control markets and prices; and maintain political security and social order. To do so is to make the most deserving contributions to successfully building socialism and strongly defending the socialist Vietnamese fatherland. This is our nation's road to progress that allows us to quickly overcome difficulties, to shorten poverty, to thwart all enemy destructive plot and activities, to build a strong and prosperous fatherland, and to build a plentiful, civilized, and happy life for our people.

2. Actively build clean and strong internal ranks and steadily strengthen their protection. The Chinese and American intelligence agents and spies, and other reactionaries of various kinds, are trying to attack the party's internal ranks and important economic and national defense installations. Since Haiphong is a seaport and a place for international trade dealings, protecting the party and important economic and national defense installations becomes even more urgent and requires a higher degree of vigilance. In Haiphong, they aim at the party organizations and important organs and enterprises, such as the Port, sea transportation, export-import, and so on, for gathering intelligence and putting their agents into our ranks in order to carry out long-term sabotage. Therefore, we must actively build really clean

and strong party bases, administrations, and mass organizations, and strictly protect our internal ranks to avoid any enemy destruction. First of all, our party organizations must be clean and strong, which is a decisive factor that determines that the administration, mass organizations, and different strata of the population are also clean and strong.

Continue to step up the implementation of Directive No 33 of the Secretariat; strengthen the strict management of cadres, party members, workers, and civil servants; and fight the negative aspects in our own ranks. Concentrate on maintaining absolute security for the Ninth Haiphong Party Organization Congress, which will be held this year.

Strengthen our internal purity by eliminating from the party any deviant, backward, and decadent elements who harm the party's honor. Actively build and consolidate party organizations, administrations, mass organizations, and armed forces to make them politically, ideologically, and organizationally strong and to ensure successfully carrying out the party and state line, positions, and policies at all levels and down to the basic level. We must increase the party's fighting power and leadership in regard to the key tasks, for the purpose of successfully fulfilling the two strategic tasks. As an immediate job, carry on the leadership duty to bring about strong changes in the sense of responsibility; to uphold the spirit of collective ownership among the working people; to arouse the initiative and creativity of all sectors, echelons, and installations; to struggle fiercely in productive labor; and to practice absolute thrift while fulfilling the municipality's 1986 socioeconomic plan. All party members--all as one--must have close ties with the people, further develop the traditions of being staunch and invincible, be devoted to their task, through positive action show their devotion to the party's undertaking, be pioneers and models in all complicated and difficult work, and take the lead in the masses' revolutionary movement.

Continue to consolidate the socialist ideological front; strengthen political and ideological education; and make cadres, party members, and the people have a common and thorough understanding of the party line and policies, and ensure their successful implementation. Every cadre and party member must stress discipline, speak out against and attack psychological warfare and counterpropaganda arguments, and unmask and denounce those people who spread false information aimed at fighting against the party line and policies and sowing doubts among the people. Step up building the new man, new-culture family, and new socialist way of living, and fighting against the backward remnants of the old society. Closely combine the movement to build secure organs, enterprises, schools, and hospitals with the movement to build safe streets, subwards, and villages.

3. Protect production and business, control markets and prices, and fight against enemy economic sabotage. The efforts to protect the economy and to fight against enemy economic sabotage must consist of many positive aspects and be carried out on an extremely large scale.

We must protect the economic line, positions, and policies of the party and state to make sure they are carried out in a serious manner; the socialist production relationships to make sure they continue to be consolidated and

perfected; the new production force to make sure it does not cease to develop; the management measures and technical progresses for their wide and effective applications; the foreign economic relations, first of all with the Soviet Union, Laos, Cambodia, and other socialist countries, to promote continued expansion; and the material and cultural living conditions of the people to make sure they are stabilized and gradually improved.

In the fight against the enemy on the economic front, all of us, no matter what we do and in what field we are, must maintain a high level of vigilance and think of protective measures. Protecting the economy becomes the necessary task in the economic construction task and must therefore be carried out by those people who are to build and to manage the economy, i.e., all cadres, party members, workers, civil servants, and laborers working in the fields of production, business, distribution and circulation, and social services--the force that can protect the economy in the most effective manner.

All our party, people, and army, as well as the Municipality of Haiphong, are striving to carry out the resolutions of the Sixth, Seventh, Eighth, and Ninth Plenums of the CPV Central Committee, particularly the ones of the last two plenums, for they are extremely important resolutions that greatly affect many aspects of the national economy. They are profoundly changing the ways to assume leadership, to manage the economy, and to manage society, ranging from building the economic structure and management mechanism to organizing production, business, and distribution and circulation and resolving such issues as prices, wages, financial and monetary matters, for the purpose of abolishing bureaucratic centralism and state subsidies, switching to economic accounting and socialist business practices, gradually promoting normal economic development, stabilizing the standard of living, creating accumulation, and creating favorable conditions for greater development in the coming years. And so we now find that the task of protecting the economy and fighting against enemy economic sabotage is heavier and must be more centralized and total.

We must have a profound understanding that every sector, every echelon, and every economic installation must share the responsibility for carrying it out: production must go along with both protecting production and building the economy. We must clearly recognize this fact: the leadership of production must control the results of production (i.e., the sources of goods); the leadership of distribution and circulation must control the market and prices; and leading the efforts to fight the negative aspects, to protect socialist properties, and to fight against enemy sabotage is a unified form in the socialist economic activities, in fulfilling the state plan, and in the socialist industrialization process. This is the fight to win in the enemy's multifaceted war of destruction and is closely linked with the struggle for victory between the two roads. Only then can we, on the basis of developed production, maintain a good standard of living, create accumulation, strengthen national defense and security, and succeed in building and defending the Vietnamese fatherland.

In order to protect the economy effectively and fight enemy economic sabotage, we must first of all build clean and strong party organizations, administrations, and mass organizations in all sectors and at all levels, from

central to basic. On that basis, we must on the one hand stress discipline and apply the principle of democratic centralism to economic management, and on the other hand launch the collective ownership right and promote high-level creativity and initiative in favor of the working people and basic level, and step up production and business with high productivity, quality, and effectiveness. In addition to such work, we must encourage everybody to absolutely practice thrift, to protect socialist properties actively, to fight the negative ills resolutely, as well as corruption, waste, bribery, unlawful dealings, and other actions that harm the ownership of the people and socialist collectives, and at the same time to be always vigilant while mobilizing all forces for fighting with good results against enemy economic sabotage. There cannot be any economic management organs and production and business installations where management is loose and ineffective; the protection of materials, raw materials, and capital is neglected; labor discipline, bylaws, and procedures are not carried out; and internal ranks are far from being clean and strong so that they can successfully fight against enemy sabotage. In such places, not only is the fight against enemy sabotage fruitless but there also are great shortcomings that create favorable conditions for dishonest business people, speculators, smugglers, and economic saboteurs to take advantage of and to operate more easily.

Stealing and receiving bribes are bad habits. This is the plain truth in any society; they are even worse for the traditions and morality of the Vietnamese nation and socialism. We must make this plain truth go deeply into the awareness of everybody and of the masses so that people condemn them, abhor them in terms of morality, firmly eliminate them, and deny them any place in our collectives and society, or a chance to exist and to manifest themselves. This is the revolutionary struggle against the old individualistic habits and customs of the exploiting regimes; it is also the struggle for building the new morality and the new socialist man. All party organizations, administrations, and mass organizations must further strengthen political and ideological education; organize things more broadly to allow the masses and working people to take part in the socialist transformation of private industry and commerce, to build the new production, and to restore the socialist order on the distribution-circulation front; first of all control the market and prices; and punish speculators and smugglers to make everybody feel the pain caused by the consequences of the negative ills, corruption, waste, bribery, and so on, as well as the danger of speculators, smugglers, and those who disturb the market and prices, and see the great harm done to the socialist construction, popular interests, and socialist morality. From such a profound awareness people will voluntarily participate and there will appear positive, realistic, strong, and effective initiatives and measures in connection with protecting the socialist properties, inspecting and controlling for elimination of the negative ills, and firmly punishing those speculators, smugglers, and psychological instigators who spread false information and disturb the market and prices. Plug any holes and do not let the enemy creep up and carry out sabotage against us. If there still exist in our society many bad habits and customs involving stealing, bribing, dealing with dishonest business people to steal state and collective properties, selfishly thinking of oneself while letting God and the superior echelons resolve things, and letting criminals act freely to the detriment of the economy and the standard of living, this is not socialist construction but

rather surrender in the decisive struggle for victory between the two capitalist and socialist roads.

We must practice absolute thrift. Be highly thrifty in management, production, and consumption by taking such measures as simplifying the machinery; reducing losses of materials, raw materials, and energy; reducing capital expenses; raising labor productivity and product quality; applying science and technology; lowering production costs, and so on. In short, we must use every means of saving to produce more wealth for society, to build the economy, and to reduce tension wherever balance has to be maintained, if the economy is to remain steady, at a level higher than before, and to continue moving forward within the framework of the socialist construction. Being thrifty must go hand in hand with fighting waste, for being wasteful also is a dangerous ill. Many organs and enterprises still waste a lot of things, which are not figured out yet. Many norms are set without being based on any principle, with spending taking place without calculation (reception, festival, gift-giving on holidays, during Tet celebration, and so on), being detrimental to state capital, adding to production costs, and thus jacking up the latter in an irrational manner. We must recognize the fact that every dong of capital, every kilogram of raw materials and materials saved by every individual, organ, and enterprise throughout the country will be a very great reserve and a contribution to stabilizing the economy and the standard of living and creating more accumulation for the country's industrialization.

The Municipality of Haiphong is where the large central and local factories are located, particularly the port and the largest storehouse of our country, and where international trade dealings are conducted; therefore, we must be even more vigilant, fight enemy sabotage, steadily protect our internal ranks, and safely maintain the socialist properties.

Mobilize the cadres, party members, workers, and people of Haiphong for maintaining security in its port, where are concentrated the largest quantities of our properties. Build on a permanent basis party organizations, management organs, and mass organizations (trade union, the Ho Chi Minh Communist Youth Union, Women's Union) and forces in charge of keeping the Haiphong Port clean and strong. Urge everybody to improve the way of doing things, to make procedures and paper work fast and neat, to make loading and unloading safe, to protect storehouses strictly, and at the same time to fight resolutely against the negative aspects, stealing, and enemy sabotage, and to safeguard state properties. Our port must operate with discipline and order; achieve high productivity, quality, and efficiency in all of its work; win the admiration of the boats and ships of the world; and become a source of pride for the municipality and people all over the country. The public security force, army, and navy must closely coordinate their activities to make the port safe and strive to protect all of its facilities, ranging from buoy No 1 to areas around the port, firmly to fight thefts and robberies on the sea causing material damages to us and foreign ships, and to prevent and punish in good time robbers, smugglers, and saboteurs.

Under the leadership of the Haiphong Municipal CPV Committee, the public security force must closely coordinate its activities with the organs that manage the ships of the Ministry of Communications and the municipality,

strengthen the training of crewmen to make them regularly aware of the different kinds of international reactionaries, mostly the Chinese and Americans, and discover and prevent the sabotage activities aimed at our export-import. Educate crewmen to have a strong revolutionary stand and morality, to be proud of being among the heroic Vietnamese nation's crewmen, not to let the enemy take advantage of them, nor to engage in international smuggling or to bring reactionary and decadent cultural materials into the country. The leading cadres must take care of their living conditions, health, and cultural activities, and adopt appropriate rewarding procedures commensurate with their efforts and work.

4. Step up the mass movement to maintain steady security for the fatherland, and closely link it with consolidating and perfecting the management of household registration and the population. In recent years, the mass movement to maintain security for the fatherland in the Municipality of Haiphong has turned a number of weak localities into good ones; progressive models have appeared while coordinated-action clusters have been set up among subwards and villages, among organs, enterprises, and safe subwards, thus creating a revolutionary spirit among the people for actively maintaining security and order.

The Ministry of Interior has just held a conference to make a preliminary review of the 2 years of the movement to set progressive examples among the people for maintaining security for the fatherland throughout the country and it has succeeded in learning many precious experiences in connection with the content and form of organization. On that basis, the ministry has recommended a new content and launched an emulation movement to learn from, catch up with, and surpass the progressive models aimed at stepping up the mass movement to maintain security for the fatherland to make it develop more widely and steadily.

Our municipality will apply the good experiences and work of the preliminary-review conference to making its own movement move forward more steadily and ensuring order and security more strongly at the basic level.

In the fight to win the enemy's multifaceted war of destruction, we must attach great importance to launching the mass movement to maintain security for the fatherland and steadily developing it and closely linking it with consolidating and perfecting the management of household registration and the population. This is a task that has both a sense of urgency and long-term strategic meaning on the front of maintaining political security and social order, and this is also an activity that is dear to the people's public security force in its maintaining political security and social order.

Although managing household registration and the population is an administrative management job of the administration echelons, it is the basic work of the people's public security force. However, in the past several years, this job has not yet been done actively and systematically enough. Not until 1985, mostly in its last 6 months, did the localities strongly develop the movement and bring about great results, as the report of the Municipal CPV Committee mentions:

As the result of knowing very well the makeup of the population, age groups, everyday activities, and good and bad people, they made realistic contributions to implementing the policy of using labor and the population to serve the economic development plan, to resolve the issues having to do with the standard of living, and to serve the efforts to draft national defense and security plans; at the same time, managing and using labor and cleaning up the internal ranks of organs and enterprises; and also through the management of household registration and the population, seeing more clearly the shortcomings we all have, but in a more direct way the shortcomings of the public security force, which was still neglecting the management of the elements considered dangerous for our security and order. In Haiphong alone, thanks to this job, 587 persons who had been in the list of people to be tracked down were caught, 52 nests and groups of criminals were annihilated, and 860 people who had criminal records and had refused to be corrected were arrested and sent to reeducation camps. That was not all of them, but those figures already pointed out how much neglect had existed in recent years.

As the localities are expanding their activities to implement the resolutions of the Eighth and Ninth Plenums of the CPV Central Committee, the question of managing the market and prices becomes a seething one. Taking advantage of our shortcomings, speculators and smugglers try to get goods from all sources; psychological war instigators spread the news about exchanging currency, eliminating the large denominations, and thus making prices shoot up, the currency quickly lose its value, and the living conditions of working people become much more difficult. The situation becomes urgent as we must control the market and prices and severely punish these speculators, smugglers, and psychological war instigators now.

Everybody knows that the spies, reactionaries, people who spread false rumors, speculators, smugglers, hoodlums, thieves, etc. do not live in the skies or underground but live among the people, and yet they still operate freely and are not unmasked. The urgent need now is to find the very source, the nests of these speculators and smugglers, and who the gang leaders are who carry on psychological war activities, but the public security force still fails to find them. Why? Because it does not take any good professional measures, but the basic fact is that the management of household registration and the population is not very good yet and the mass movement to maintain security for the fatherland is far from strong. Only through this movement, which is to be closely linked with the management of household registration and the population, and first of all only by knowing how to rely on the people can we unmask them, know the state of their activities, and maintain timely and effective policies and measures to deal with them. We must resolutely and urgently overcome the above-mentioned shortcomings; the public security force particularly must consider it a strategic task which it must seriously carry out at any cost and be strictly responsible for. Only by so doing can it truly perform its functions and tasks and actively contribute to successfully implementing the resolutions of the Eighth and Ninth Plenums of the CPV Central Committee in the present situation.

Managing household registration and the population is closely related to managing cadres, party members, workers, and civil servants in organs and enterprises, who are an important force among the people. Each day they have

only 8 hours that are under the management of their organs and enterprises, and the rest of the time is spent by our cadres, workers, and civil servants at home, or in public centers of their subwards or villages. Therefore, each and every one of us must be both a good cadre, worker, or civil servant in our organ or enterprise and a good citizen in our subward or village. We must fulfill our tasks in organs and enterprises and at the same time be responsible for contributing to building strong subwards and villages, in terms of order and security also. In many cases, it is regrettable that in both the work place and the place of residence, due to the fact that the morality and action of an individual are contradictory to each other and that management in both places is far from strict and remains uncoordinated, violations of order and security do take place because they have not been discovered and prevented in time.

To mention just a few issues and facts is enough to make us realize that the management of household registration and the population is a job of very special importance and, on that basis, affirm that without doing this job the public security force cannot say it does its work properly. I would very much welcome the party committee echelons that regularly pay attention to this job.

We must have the concern and leadership of party committee and administration echelons; the active participation of all sectors, mass organizations, the army, and the large majority of the masses; and the public security force serving as the hard-core force if we want to succeed in stepping up the mass movement to maintain security for the fatherland, strongly developing it, and helping the public security force to consolidate and perfect the management of household registration and the population so as to make it an orderly job of high quality.

Because of the importance and strategic significance of these two aspects of the job in the fight to win the enemy's multifaceted war of destruction, all sectors, mass organizations, the army, and residents of the municipality are giving their total support, active participation, and enthusiastic assistance to the municipality's public security force to allow it to fully carry out its work while actively serving the political, economic, and social tasks, and at the same time creating a people's net "in heavens and in hell" to provide positive prevention and active offensive against the enemy and to maintain steady national security and social order and security.

5. About the tasks of the municipality's people's public security force:

In the last 3 years, the municipality's public security force made many efforts and much progress in carrying out its regular functions and served as a tool for the Municipal CPV Committee and party committee echelons to obtain good results from implementing the directives and resolutions of the party and state. I warmly welcome the progress and active contributions made by the municipality's people's public security force to the great victory of our municipality.

In the time to come, the municipality's public security force must adhere to Resolution No 01 of the Municipal CPV Committee and thoroughly understand the resolutions of the Eighth and Ninth Plenums of the CPV Central Committee; the

resolutions of the Municipal CPV Committee on the political, economic, social, national defense, and security tasks; and the conclusions of the preliminary-review conference this time. On that basis, it must study, apply, and suggest programs and plans, and measures to organize their implementation, in order to step up and obtain better results from all aspects of its work, combat task, and fight against enemy sabotage. In doing its job, it must concentrate efforts on getting to know the situation well; dealing in time with the plots and activities of the counterrevolutionaries, particularly the Chinese and American reactionaries in the key areas of the municipality; at the same time, actively serving the task of transforming private industry and commerce, and managing the market and prices; punishing speculators, smugglers, and psychological war instigators; striving to protect the economy, cultural and ideological matters, and the party and its internal ranks; and wiping out hoodlums, robbers, and those who disturb order and security in order to ensure political security and to maintain social order. Being aware of the need to struggle hard to achieve the above-mentioned work is aimed at serving even more effectively the successful implementation of the resolution of the Municipal Party Organization Executive Committee and the 1986 socioeconomic guidelines and tasks, on the basis of the resolutions of the Eighth and Ninth Plenums of the CPV Central Committee.

The municipality's public security force must strive to consolidate totally and perfect the management of household registration and the population and to make this regular work an orderly one; fully recognize that this is an immediate urgent job to do and its long-term basic work; and further improve every day the quality of its work. It must closely link the management of household registration and the population with the mass movement to maintain security for the fatherland; pay attention to pushing forward the job of creating more progressive models and turning them into coordinated-action clusters, with subwards, united subwards, villages, united villages, wards, districts, organs, enterprises, schools, hospitals, and so on being secure and combined with safe subwards and villages.

It must strive to build a clean and strong people's public security force in order to successfully develop the movement to learn, profoundly absorb, and seriously carry out Uncle Ho's six teachings by 19 May 1986, and actively emulate one another to carry out "the movement to take revolutionary action in accordance with Uncle Ho's six teachings and to build totally strong units" in order to turn our understanding of his teachings into actual daily revolutionary action in our regular work, combat, and force-building task and to further improve the quality of the people's public security force so as to make the latter cleaner and stronger every day.

In order to carry out the above-mentioned tasks successfully, the municipality's public security force must further develop the traditions of maintaining solidarity and coordinated combat with the people's army; closely coordinate its activities with those of sectors and mass organizations, mostly the sectors in the internal affairs field; and rely on the working people to carry on its regular work, combat, and force-building task, under the leadership of the Municipal CPV Committee, Municipal People's Committee, party committee echelons, and basic-level administration.

In the light of the resolution of the Fifth Party Congress, with proud revolutionary traditions and solidarity in combat and construction, with the spirit of revolutionary offensive, with initiative and creativity in the implementation of the resolutions of the Eighth and Ninth Plenums of the CPV Central Committee, and with the progress and achievements made in the past years, I wish the party organization, army, and people of the Municipality of Haiphong greater success in fulfilling the tasks and goals that have been set for 1986 and in building Haiphong into a strong, prosperous, and beautiful municipality that forever deserves the "Loyal, Brave, Determined To Win" title and the trust of the people throughout the country.

On the occasion of the nation's approaching traditional Tet, I would like to extend my new-year wishes to members of the Municipal CPV Committee and People's Committee and leaders of sectors and mass organizations in the municipality, and my best wishes for the new year to all of the people and combatants of Haiphong.

5598

CSO: 4209/409

BRIEFS

HANOI PARTY COMMITTEE MEETING--On 15-16 April, the Hanoi Municipal Party Committee held a conference of the key cadres of various sectors, mass organizations, districts, wards, and cities to discuss implementation of the resolution of the Hanoi Party Committee's Standing Committee on urgent policies and measures to stabilize the economic situation and living conditions in Hanoi. The conference discussed measures to solve the problems of raw materials and supplies and to bring into full play all latent potentials to promote production and to enhance the purchase and collection of goods. It also studied the application of adequate economic policies to encourage peasants, handcraftsmen, and economic establishments to develop production and deliver products to the state. The delegates heard many suggestions on pricing and wages in accordance with the spirit of the party Central Committee's resolution as applied to the current situation in Hanoi. Recently, the municipal party and People's Committees also held a working session with the State Planning Commission and the food, home trade, supply, and mines and coal ministries to discuss coordination in promoting production and providing more goods for the capital. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 16 Apr 86 BK]

CAO BANG PEOPLE'S COUNCIL--The Cao Bang Provincial People's Council recently met to draw experience from the carrying out of 1985 socioeconomic development work and to decide on the targets of the province's 1986 plan. On the basis of implementing the resolutions of the eighth and ninth party Central Committee plenums, Cao Bang will concentrate on stepping up production, exploiting existing potentials, and, in particular, developing the production of grain, foodstuffs, and other agricultural products and fine arts goods for export. The province will apply numerous positive measures to control goods and money, to manage the market, and to stabilize prices, thus creating conditions for establishments to develop their capabilities and autonomy in production, business, and financial operations. In 1986 Cao Bang will concentrate on labor management, expand trades and various branches, and ensure the livelihood of the people, cadres, workers, and civil servants. The province will continue to build its districts into fortresses that are politically, economically, and militarily stable and capable of frustrating enemy attempts at sabotage in all fields. [Excerpt] [Hanoi Domestic Service in Vietnamese 2300 GMT 16 Apr 86 BK]

/12929
CSO: 4209/473

MARKET SITUATION IN THANH HOA PROVINCE REVIEWED

Hanoi NHAN DAN in Vietnamese 5 Mar 86 pp 1,2

[Dispatch by The Nghia: "Thanh Hoa Experience in Stabilizing Market, Prices, Life"]

[Text] Bad weather caused poor harvests in Thanh Hoa in 1985, but in travels through many places in Thanh Hoa around the lunar New Year, we found relative stability in price and market situations and in the standard of living. By standard of living, we mean essentially food and clothing. Yet to talk of food and clothing requires mention of such matters as prices, the market, and society. Let us consider food first. The months before and after Tet, Thanh Hoa continued to sell grain to workers, civil servants, members of the armed forces, and dependents in full measure, on time, with equity, and at the prices fixed by the state. There have been no instances of grain stores requiring shoppers to wait in line, push ahead of others, or make bitter complaints. The price of rice is 12 dong per kilogram in many rural areas. Before Tet, top-quality rice was 9-10 dong per kilogram in many places. Category 2, 3, and 4 pork has been sold at state trade stores for 20-22 dong per kilogram. In the days just before Tet, the price of choice meat was 30 dong per kilogram and wrapped lean pork 70 dong per kilogram in many rural areas such as Vinh Loc, Thieu Yen, Tho Xuan, Nong Cong, and Tinh Gia Districts. Food products have usually been scarce each year after Tet, but this year there is still plenty of pork in the first week of March; in markets of heavily populated areas such as Thanh Hoa, Sam Son, and Bim Son Cities, chickens, ducks, and geese are easy to find for sale and inexpensive. Whether ocean or cultured fish are plentiful or scarce depends on the fishing weather. Duck eggs are more just over 2 dong apiece, which frees purchasing power. There is no shortage of fish sauce or salt. There have been weeks in which a kilogram of cabbage or turnip-cabbage was 1 dong. Aside from children's clothing, there is no shortage of ready-made clothing--the adult clothing market seems glutted throughout the province.

This does not warrant the conclusion that prices and the Thanh Hoa market are stable, good, and without complicated problems. Nor can it be said that goods are plentiful here, nor that grains have become sufficient. There are other provinces and places, of course, where the standard of living and

situation with the market and prices are much better than in Thanh Hoa.. Yet for Thanh Hoa this is a great accomplishment.

So how has Thanh Hoa been able to maintain a stable price and market situation and standard of living at the above level?

We worked with key levels and sectors in the province to develop an understanding of all methods and measures.

Implementing Resolution 8 of the party Central Committee and Resolution 28 of the Political Bureau, and implementing the price, wage, and money measures, the Thanh Huy Province Party Committee and People's Committee always considered production reorganization and acceleration the most basic mission and therefore issued many resolutions and instructions on stepping up production and economic development. The thrust of guidance was still to concentrate the most intense efforts on producing food and on strongly developing consumer goods and export goods. The standing committees of the provincial party committee and people's committee got directly involved in the three key operations according to Resolutions 6, 7, and 8 of the Central Committee, which are to actively mobilize and purchase food on the basis of production results, reorganize the daily life of the people, and manage the market of society.

After Resolution 8 of the Central Committee appeared, many problems created had to be resolved, and, at the same time, more than 35,000 hectares of rice were flooded. After evaluating the situation, the province placed top priority on mobilizing food and purchasing farm produce and worked with concentration and urgency. That resolve was adhered to from the province level down to districts and villages. Nearly 40,000 hectares of 10th-month rice was considered lost and were not harvested; the remaining 100,000 hectares were evaluated as meeting targets for productivity and volume of production. Grain was mobilized in many ways: taxation, fees, consolidating money and goods to exchange with farmers, and mobilizing farmers to sell paddy to the state, put it into savings, and lend it to the state for rewards and interest. Additionally, the province provided price subsidies to farmers, giving 70 kg of nitrogenous fertilizer for every ton of paddy sold to the state. The province also declared flooded areas exempt from taxes and fees and temporarily postponed repayment of all debts there. Farmers were therefore enthusiastic to contribute and sell grain to the state. In spite of the poor harvest, the province still successfully met plan goals for state grain mobilization. The volume of grain output increased 50,000 tons over that of 1984, in spite of crop loss. Besides this effort, the province concentrated leadership on winter production, with a policy of giving priority to the winter crop for seeds and materials such as fertilizer and insecticides. Thanh Hoa had a corn and sweet potato harvest equal to the highest ever enjoyed, achieving a 50,000-ton paddy equivalent, which does not include output of other vegetables and fruit. After eliminating the policy of market prohibition, the province permitted farmers to bring corn, sweet potatoes, and manioc to the market for sale, which increased the number of cereals offered consumers. The province also

quickly adjusted foodstuffs for economic regions. A reasonable volume of grain was supplied to production sectors in other regions besides deltas and midlands, such as jute, rushes, fishing, and handicrafts and small industry installations in coastal and highland regions. That is to say, grain was supplied in sufficient amounts and on time, which encourages basic small industry installations to fully provide goods to the state. Regions raising industrial crops such as tobacco and peanuts received grain in return at the price set by province-level guidance. Regarding the state zone, the grain and finance sectors kept accurate account of the numbers of families and persons and allocated grain in amounts to be supplied in full measure and at stable prices. For persons who received salaries after grain prices had been slightly readjusted, the province provided cash subsidies according to the fixed amount of paddy.

Because there is never enough grain in Thanh Woa, crop loss is all the more urgent, so it is quite an accomplishment to keep the market stable like this.

Mention must also be made of food products, with pork getting most attention on the consumer market. In the 3rd quarter of 1985, when pork sales stagnated badly, the province made timely purchases by letting out contracts to keep swine off the market. The seller continued to raise the swine, and the state paid him, then paid the going price for the increased portion of the weight. After readjusting the price of swine, the province concentrated on mobilizing food products for the central echelon. Before Tet, the province temporarily reduced hog slaughtering in marketing cooperatives of all districts, turning it over to state-operated trade in order to avoid having many food products out on the free market, because the arrival of Tet inevitably means that all rural areas with swine will slaughter them.

The local policy is thus flexible, not mechanical and obstinate, and problems are solved in a timely way with rational measures, depending on the situation, in order to put control of goods in the hands of the state. In past years, the consumer had to depend on state trade stores for the various fish sauces and dips, but last year many marketing cooperatives arranged to obtain salty fish from the sea and process it locally into good fish sauce for sale to the people at a cheaper price due to reductions in transport.

The important thing, intensely stressed by the province, is market management. There are still many things to discuss, but the ability of Thanh Hoa Province to control prices while there is a shortage of goods was partially the result of market management.

The province bought nearly all export agricultural and food products, so the volume of peanuts and beans sold on the market was insignificant, farmers sold food products mainly to the state, and the state sold rice and other grains to those needing them. Grain sales personnel have been quite closely controlled. The state also managed other goods from start to finish. The province directed sectors that all exchanges of goods for food must be

managed by the state. All must be done through the province, including exchanges by central sectors and other localities.

Thanh Hoa sees clearly that a special economic feature of its territory is that the essential form of production is agriculture. The province therefore concentrated on managing the food market through many means and on stopping speculation and unauthorized merchandising. In Thanh Hoa City, the city party committee and people's committee released a resolution that cadres and party members, and especially wives and children of cadres and party members could not engage in unauthorized merchandising, and, at the same time, small industry and handicrafts installations would be developed to induce wives and children of cadres and party members to make consumer and export goods. The province committee also consolidated systems and responsibilities. Sector directors, factory and enterprise directors, cooperative managers, and store managers must undergo disciplinary action before the party and state if cadres or members under their authority practice corruption or appropriate property of the state. Since 1985, Thanh Hoa has had a policy of strongly reducing the import of consumer goods from foreign countries, such as motor vehicles, electric fans, clothing, thermos bottles, video recorders, audio tape recorders, and monosodium glutamate. The province concentrated foreign currency on the purchase of supplies, raw materials, and equipment for investment in agricultural, industry, forestry, and fishery production sectors of the province.

The source of stability for the market, prices, and life is stepping up production. The economy of Thanh Hoa is essentially agricultural production, and local industry is essentially the production of consumer goods in support of agriculture. Central industry, although there is not much of it located in the province, causes no small amount of trouble for market management. A number of valued and rare items slip away by many routes, and peddlers come out to the country to trade them for grain, raw materials, and industrial crops, which they bring back to sell in the market.

Unfortunately, a month before Tet, the order that prohibited marketing was too harsh, not allowing anyone at all to transport grain for sale, which had bad consequences. Fourteen delta and midland districts where grain mobilization for the state had been successfully completed still could not bring rice in and sell it in the market. People with a surplus of grain should have been allowed to bring it to the market in order to balance flooded areas with areas where there was a good harvest. The price of grain sometimes rose for that very reason. Thanh Hoa has six coastal districts, yet the state trade sector has sold no fish or marine products to cadres and the people for the past 3 years. The people and cadres only buy them from merchants. meanwhile, fish and shrimp merchants were strictly forbidden in the market. The result was that there was a shortage of food products in the market, and the market "died." Merchants selling a pile of fish or a pile of shrimp are not an essential source of tax revenue for the state. Other valued and scarce consumer goods continue to leak out of state stores to peddlers. Yet market management cadres do not pay attention to

management in stores and stands, and many market management cadres are of inferior quality.

Thanh Hoa Province is planning the task of providing more education to socialist trade and market management cadres and personnel and at the same time instructing workers, civil servants, and the people to resolutely fight distorted views and false rumors of dishonest merchants, speculators, and smugglers.

9830

CSO: 4209/406

LONG AN PRICE, WAGE SUBSIDY EXPERIMENT ENDS SUCCESSFULLY

Hanoi DAI DOAN KET in Vietnamese 3 Jul 85 pp 1, 14

[Article by Tran Dinh Van: "The Long An Experiment"]

[Text] On the final day of the Eighth Plenum of the Party Central Committee, I went in search of Chin Can and Sau Kien after I heard that the resolution on price subsidies to wages and elimination of ration stamps and coupons had been passed.

Grasping their hands, I congratulated them on the success of Long An, concluded as this plenum of the Central Committee began and no longer in the constant state of unsteadiness and drifting that lasted for nearly 5 years. At first there was only conflict and even in the political activities, there was daring and staunchness in tense struggle, hanging on from one year to the next until the end, and maintaining an extremely self-confident mechanism as a strike element against the fortress of bureaucratism and state subsidization.

At the beginning of 1985, there was news that the application of price subsidies to wages and elimination of ration stamps and coupons by Long An was a dismal defeat and that the province secretary was seeking assistance in goods from the Central Committee and was requesting emergency funds to pay the wages of cadres, workers and civil servants. This was fairly staggering news because a cadre delegation from the Secretariat of the Party Central Committee had gone to Long An for an on-the-spot investigation and acknowledged that the Long An's new operating procedures were correctly oriented and creative.

I sought out a number of comrades from Long An who were studying in Hanoi and they had all heard the news that their home province was on the verge of a dilemma. Much of the news was bad and it seemed to be reasonable and rational:

"The deaf do not fear guns and the stubborn economic hands out here who have still not dared to clash with ration stamps and coupons have just come out of the forest."

"To work requires uniformity but Long An was on its own, alone without ration stamps and coupons, and located alongside Saigon, was killed by the scraping Saigon peddlers."

A cadre in the Long An Provincial Party Committee told me, "Last year when it was jointly decided to shift to price subsidies to wages and eliminate ration stamps and coupons, Chin Can was extremely resolute despite endless difficulties and was also unwilling to operate in accordance with the old mechanism. If it is true that Long An has failed, the blame this time is fully his."

I also felt sorry for Chin. During the fight against the Americans, he operated for a long time on the outskirts of Saigon as the Secretary of the My Tho Party Committee and after the lunar new year holiday of the Year of the Monkey [1968 Tet attack], he served as the party secretary of Sector 23 (the area of Can Duoc, Can Giuoc, Tan Tru, etc. of Long An) and I once heard he had died. Surviving until now, could it be that only upon entering economic activities, he has finally suffered "casualties? Recalled along with the news about the failure of Long An was the persistent rumor that, "Immediately after liberation, the Long An party committee echelon confiscated an extremely large amount of gold but was unwilling to submit it to the state. The gold was concealed and secretly brought out to exchange for cash and goods under the guise of price and wage subsidies but now this gold storehouse is empty and thus exposed."

I went to Long An at the end of April 1981. Meeting Chin Can, I asked him about Long An's price and wage subsidies situation and he immediately replied, "The government sent down a cadre delegation to study the wage and price subsidies of Long An and a full report was made. It would be best for you to read that report, including the statement of the delegation chief."

The Party Secretariat and the Standing Committee of the Council of Ministers dispatched a delegation consisting of eight department level and specialist cadres from the composite sectors of: banking, Ministry of Finance, Ministry of Labor, Statistics General Department, Ministry of Home Trade, Confederation of Trade Unions, and Institute of Economic Management, to visit Long An from 3 to 16 March 1981. The head of the delegation was Phan Van Huu, Vice Minister of Labor. The delegation studied and coordinated in inspecting and evaluating the situation, discussed and unified a viewpoint and finally concluded that: the price and wage subsidies and elimination of ration stamps and coupons of Long An had produced results in many aspects: requisitions and purchases to control goods sources increased, trade sales remained normal, price fluctuations were insignificant, the amount of cash clearly increased, negative occurrences were greatly restricted, and the cadres, workers and civil servants were relieved of many difficulties and troubles in daily living. The delegation suggested that a number of localities with conditions similar to Long An should shift to the new operating procedures and apply the experience of Long An, especially the provinces in the Mekong River Delta; in order to create additional forces to support the provinces of the north. Cities, industrial areas and provinces poor in agricultural products and food but strong in industrial goods, construction materials, forestry products, etc. also could gradually and appropriately apply the price subsidy experience of Long An to the unique environment of their own local area.

Carefully reading the report presented by the delegation to the Standing Committee of the Council of Ministers, I was firmly confident that the Long An mechanism would sooner or later be systemized. Anxiously desiring to understand the formative process of the Long An wage and price subsidy experiment, I met with Tu Giao, a staff trade chief and a Long An leader well-versed in wage and price subsidies. When I first met him, I was interested in finding out clearly how Long An had dared to enter a difficult issue and to succeed by determined leadership to thoroughly eliminate state supply and subsidization in

addition to a number of excellent staffs and to impudently toss about in the circulation and distribution sector. Tu Giao is a Long An cadre who regrouped to the north and from 1956 to the day of total victory, he worked in the trade sector, in the planning department and then the business department, and participated in studies on the ration stamp and coupon system and the requisition and purchase policy. The Long An trade sector leadership also has Tu Hy with decades in the trade sector who returned there from the north. A vice chairman of Long An Province, Tam Tham, who also regrouped to the north, served for many years as the Chief of the Trade Department of the State Planning Commission, and specializes in following the trade sector. A staff element understood the ins and outs of the circulation and distribution system and the penetrating effects of every disaster of the state supply and subsidization system.

Tu Giao told me, "I have worked in the trade sector for more than 25 years, through six different ministers, and I am infatuated with the work because I understand its importance to socialism but during 25 years in the business, I know all of its reverse sides. Primarily because I wish to live or die with the trade sector, I hope to contribute to its progress and must resolutely improve management and business formulas. The longer we remain in the trade sector, the more we see and hear that is unpleasant to the eye and ear. The more two prices differ, the more openly blatant become pilferage and theft and the time has come to state straightforwardly, because to conceal it is to say nothing, that even the straightforward and honest person is slowly sliding into pilferage and extortion of state goods. As the chief of a trade service, I have signed thousands of requests which the provincial party committee could not refuse for permission to purchase the state-supplied goods of this or that group coming to Long An to work. Not purchasing them would be a crime since the market price was higher than the state-supply price by five or six and even 10 times."

Tu Giao reminded me of Resolution 6 in 1979 when one leader loudly stated the need for "commercializing the trade sector." That was a fine and possibly even a strategic suggestion but not one agency has stepped forward to implement it. Beginning wage and price subsidies, Long An gave special attention to "commercializing the trade sector." Tu allowed me to examine the initial methods of the Long An trade sector during 1981, in a rotogravure print of the 1981 plan, as follows:

"Resolutely and strongly shift the activities of the sector to business, show decisiveness in the ideological aspect and no longer feel regret or concern for the state-supply system, an extremely important and critical mission to us." The Long An trade sector has quickly found a way out like a person with a boil who dares to cut it out, not smearing it with salve to reduce the pain and allow the entire body to become infected.

After returning to Hanoi from that trip to Long An, I met with Phan Van Huu, chief of the cadre delegation that studied the price and wage subsidies of Long An. Knowing I was a news correspondent, he cordially and extremely carefully explained the need for shifting immediately to price and wage subsidies, the sooner the better. He said, "Whichever way, we must end the dual-price, ration stamp and coupon system with all localities joining hands in preparation, the

sooner the greater the reduction in the decline to state subsidization and retardation. Long An is not unique at all; if Long An can do it, many other locations can or can do so by application in a district or area to gain experience for gradual expansion over the entire local area. It has not been done so fear still exists, but in reality, Long An has answered a great many anxieties and fears concerning a way out for our circulation and distribution and certainly the Long An mechanism is a way out. You newsmen must recommend the lesson of Long An. It is very good. You must recommend it."

When I asked him whether the wage and price subsidy mechanism was about to be systemized and recognized by the state, he replied cautiously and I deduced that there are still agencies unwilling to "grasp" this new mechanism. One of the members of the study group told me privately that, "There are still too many positions on the ground but they are trembling more than those individuals still hanging in the tree. They fear everything and finally strive to clutch and grab to prevent upper echelons from adopting the Long An mechanism."

About 6 or 7 months later, at the beginning of 1982, Long An was still solitarily implementing wage and price subsidies. The bad news continued to spread that an order from this location or that had forced Long An to return to the ration stamp and coupon system, or that a foreign economic expert had determined that the Long An mechanism had strayed from the socialist orbit, etc. No miracle was spared to intimidate those locations wishing to apply the Long An experience. A number quietly applied the Long An mechanism in a more restricted scale and secretive manner to both avoid the scrutiny of conservatives and even those groups that hear about a new operating procedure and come "in search of a guru." Sometimes when I met Phan Van Huu, he urged and reminded me that although the Long An mechanism was so good that many locations were coming to gain experience, the press had still said nothing. What a pity it was that someone like him assisted in confirming the Long An mechanism, tried to protect the bold new operating procedures of Long An and knew more than anyone that the slow transfer to wage and price subsidies and the elimination of ration stamps and coupons was a loss to the state every day but was still unable to change a single apparatus. He "scolded" me each time we met, "Go ahead and write. With such a life and death issue, you continue to write about the things without foundation." Sometimes when I saw him on the street, I felt uncomfortable and wished to avoid him. Truly uncomfortable, I stood on the bank, only applauding and encouraging those who were fighting the high waves and heavy wind to clear a channel for leading the economy out of a deadlock, and continued to scrutinize and calculate.

About the beginning of April 1983, there was suddenly unhappy news. It was necessary to return to orbit, "fence-breaking" was no longer permitted and all the new operating procedures had to be repressed and eliminated. A fellow newsmen confided to me that apparently the term "deactivation" could no longer be referenced because as of now, "deactivation" was forbidden. Long An, once confronting the waves and wind, now was surely unsteady.

A few days after I returned to Long An, Chin Can showed me that all the way to Dong Thap Muoi [The Plain of Reeds], the vehicle road was being improved with construction completed from Tan An City to Tan Thanh in the middle of Dong Thap

Muoi. This road of nearly 40 kilometers, passing through a desolate area of muddy swamps, was a remarkable feat by Long An and mechanized vehicles now have a way to advance deep into Dong Thap Muoi to accelerate the plan to "sweeten" tens of thousands of hectares of eternally acidic and saline soil filled with various alums, for gradual conversion to land for growing rice, jute, rushes, etc. People in the southern part of Long An, comprising the districts of Can Duoc, Can Giuoc, Vam Co and Duc Hoa, with a heavy population and restricted land, will be gradually transferred to the districts of Moc Hoa, Vinh Hung and Tan Thanh of Dong Thap Muoi.

Sitting with Chin, I felt that he was unconcerned about the threat surrounding the new factors, including naturally the Long An mechanism. When I spoke of the boiling situation, I asked him what he would consider if there was an order forcing Long An to return to the system of dual prices and ration stamps and coupons.

Chin laughed and replied, "Complex changes are occurring but I have never considered that the situation would turn upside down as stated in your question. Long An applied wage and price subsidies with the agreement of the Secretariat of the Party Central Committee and cadres visiting Long An from many different localities have all urged that we continue to implement this new mechanism. When Le Van Luong came to Long An at the end of 1980, we took him to visit many basic units and he praised us for boldly eliminating ration stamps and coupons and achieving a single price. A cadre delegation from Ho Chi Minh City has often visited Long An and wholeheartedly supports us. Delegations from Haiphong and many other cities have all encouraged us to continue to perfect the price and wage subsidy mechanism. Many groups from sectors of the central government have come to Long An, considering us a necessary experiment for gaining experience to improve circulation and distribution work. Our support is extremely strong."

A half year later, I again returned to Long An, in the vehicle of a fellow newsman. He came to the reception room of my agency in Ho Chi Minh City and invited me to go to Long An immediately. He said that a member of the Political Bureau recently returning from a visit to Long An had highly rated Long An's work in price subsidies and eliminating ration stamps and coupons. It was noon and I had only time to pick up a satchel before I followed him. In the car, he told me to write that Long An's wage and price subsidies at this point in time were surely "on the safe side." He was going to concentrate a number of articles on Long An in a number of issues in order to outstandingly recommend the Long An mechanism. Since my paper only came out every 15 days, I also intended to write an article. Chin Can at that time was preparing for a return to the central government to accept the position of Minister of Food, and Deputy Secretary Sau Kien was to replace him. Chin, Sau and Tu Giao welcomed us and allowed us to listen to a taped statement by a member of the Political Bureau. After pointing out successes in many aspects: production development, market stability, monetary and market control, restriction of many negative aspects, etc., he suggested the need for prompt summarization of the Long An mechanism. Through the Long An lesson, according to him, sectors of the central government must maintain close contact with the primary level; if not, they will fall behind the changes and creative operating procedures at the

primary level. He indicated that during the past few years, this agency or that had wished to reject the price subsidy and ration stamp and coupon elimination mechanism of Long An but the Political Bureau had continued to maintain Long An as an experiment.

Returning to Hanoi, I immediately went to visit Phan Van Huu to report the happy news that the price and wage subsidies work at Long An would soon be summarized and this time the press would surely join in. Only upon reaching his agency did I learn that Huu was preparing to retire. I felt very sorry because of all the high-level leading cadres of ministries and sections in the central government, he was one of those wholeheartedly supporting the Long An mechanism, a support with blackboard lessons and visual and audible proof, but who now was about to leave his post.

I wrote the article on Long An this time with great peace of mind, no longer concerned about having the "whistle blown" like before, but unexpectedly, the paper had only been out a few days when a comrade informally reminded in a gentle but extremely strict manner, "Writing an article on Long An's price subsidies and elimination of ration stamps and coupons at this time is fine but a theme not appearing to appeal to other locations to follow would be more appropriate."

I was startled and immediately declared, "I very much recall a sentence I just wrote that 'Long An is a lesson worthy of consultation by other locations' and that's all; where did I dare to make any appeal, sir?"

"Suggesting something should be consulted whether to a large or small degree is also wishing to attract another location to follow, isn't it, sir?"

On the last day of the Eighth Plenum of the Party Central Committee, I met a member of the central government in a hotel corridor. When he asked whom I was seeking, I said that I had come to congratulate Long An. He stressed, "When you write your article, remember to suggest an order of commendation for Long An."

"Yes," I replied and thought to myself that such a suggestion would be superfluous because an order of commendation was naturally within grasp. There is only the quandry concerning the level of a commendation that measures up to a locality that has decisively eliminated the system of state supply and subsidization, applied price subsidies to wages, and eliminated ration stamps and coupons since 1980 when bureaucratism and state-subsidization still encompassed all echelons and sectors, to become a unique experiment for the central government, provinces and cities to visit and gain experience for improving price, wage and monetary work. The great merit of Long An to the Eighth Plenum of the Party Central Committee has been decisively affirmed. A party committee that grew up in extremely fierce battle has led the economy in an extremely dynamic and self-confident manner, constantly applying independent thinking and daring to make decisions. One of many examples was in June of 1980 when the Political Bureau issued Resolution 26 on improving the circulation and distribution work. The resolution specifically stipulated three steps aimed at guiding local areas in successively achieving each step.

The party committee echelon of Long An closely studied the Political Bureau resolution and creatively applied it. Long An performed step two first and concentrated on improving prices. Discovering that prices were the weak link, considered as uncovering a secret that would have an assembly line effect on all other steps, production, circulation and distribution aspects, the management mechanism, and the political and social order situation, the party committee echelon of Long An resolutely resolved the price step (by raising prices, applying price subsidies and shifting to the single-price system).

The Political Bureau resolution stipulated state-supply for cadres, workers and civil servants of a number of commodities and necessities at supervised prices. Thus, the state subsidized the funds of trade and trade supplied the necessities of cadres, workers and civil servants. Long An provided direct price subsidies to the wage earner, removing the intermediate step of trade and eliminating the negative condition of state subsidization and administration.

In a report to the Council of Ministers during March of 1981, the government cadre delegation studying price subsidies in Long An praised the dynamism of Long An leadership for not being rigidly dependent upon each stipulated step and creatively applying the theme of the resolution. This valuable, objective and straightforward report summarizing 6 months of price and wage subsidies by Long An and accompanied by eight appendices did not receive the proper level of concern and consultation and immediately after its return to Hanoi was pressured into correction of this and that section to agree with the viewpoints of one or two individuals with position and power. Underestimating the rich experience of the basic level and intentionally turning our backs to the Long An mechanism led to a need to engage in excessively expensive bargaining and to further prolong the existence of the state subsidization and bureaucratism mechanism.

A difficult and pressing life forced a number of localities to continue on the road of applying price subsidies to wages and eliminating ration stamps and coupons although they knew beforehand that they must experience a great many difficulties and complexities, and after Resolution 6 was issued in July of 1984, several southern provinces successively expanded the application of price subsidies to wages on a provincewide scale. This new mechanism, consistent with regulations and with those individuals who yearned for gradual price and market stability and developed production with progress toward the termination of special privileges and interests and the elimination of intermediate steps and classes with the genuine manual and mental laborers no longer afflicted by the parasites and talentless living off their sweat and effort, has swiftly become a high tide sweeping toward the north. A true revolution has occurred, silent but drastic and arduous, from the basic level to the leading agencies, unyielding before every indication contrary to the aspirations of a majority of the masses, cadres, workers and civil servants, and initially and successfully concluding with an historic resolution, Resolution Eight of the Party Central Committee.

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BRIEFS

ELECTRIC POWER SUPPLY--In the 1st quarter of 1986, the electric power service has supplied various sectors and localities with 1 billion kilowatt-hours of electricity, fulfilling the planned target by 102 percent and exceeding the amount of power supplied during the corresponding period last year by 5.8 percent. In the absence of a power supply norm set by the state, various electric power corporations have made an effort to maintain stable operations of the power plant and power distribution systems to supply enough power to key state projects and to maintain a relatively satisfactory power supply to other projects. Due to a prolonged requirement of power for the operation of water pumps from mid-January to late March to provide water for the planting of this year's 5th-month spring rice crop, the power sector made an effort to maintain a round-the-clock power supply to the agricultural sector while providing sufficient electricity for industry and other sectors.
[Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 14 Apr 86 BK]

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TRANSPORTATION AND COMMUNICATIONS

VIETNAM

BRIEFS

HON GAI RAILROAD COMPLETION--Railroad Building Enterprise No 120 of the United Communications Enterprises No 1 recently opened the Hon Gai-Lo Phong railroad. During the 1st quarter of 1986, together with the Hon Gai Coal Sorting Enterprise and the Mine Building and Installation Enterprise, Enterprise No 120 managed to overcome the difficulties regarding supplies and concentrated on building the Hon Gai-Lo Phong railroad to put it into operation at an early date in service of coal transportation. [Excerpt] [Hanoi Domestic Service in Vietnamese 2300 GMT 12 Apr 86 BK]

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BRIEFS

DONG THAP POPULATION REDISTRIBUTION--Since liberation, Dong Thap Province has sent 71,000 people deep into the Dong Thap Muci area to set up new homes and to exploit the area's economic potential. Dong Thap has an abundant source of manpower, but in the past its labor force was not rationally distributed, with one area overpopulated while another having more land than people could cultivate. During the past year, Dong Thap has made investments to solve at the same time many problems regarding water, environment, social welfare, education, and health service in remoted areas to create favorable conditions for new settlers to develop production and stabilize living conditicons, thus making noticeable contributions to economic building at the district level. Various new economic zones in the province have opened 13,500 hectares of new land for rice, subsidiary food crops, and industrial plant cultivation.

[Excerpt] [Hanoi Domestic Service in Vietnamese 1430 GMT 15 Apr 86 BK]

VINH PHU POPULATION REDISTRIBUTION--During the next 5 years, 1986-90, Vinh Phu Province will make an effort to send 25,000-30,000 laborers to build new economic zones in and outside the province. This year, it will send 4,000 laborers from various cities and the delta to the mountain areas to build new economic zones. [Excerpt] [Hanoi Domestic Service in Vietnamese 2300 GMT 19 Apr 86 BK]

HA SON BINH POPULATION REDISTRIBUTION--In the first 3 months of this year, Ha Son Binh Province sent 266 families totaling 1,208 people, including 616 laborers, from 34 villages of its 5 delta districts to build new economic zones in 23 villages of its mountain districts. Last year, due to the failure of cadres in some grass-roots units to make adequate preparations prior to sending in people, some new settlers returned to their original places of residence. Learning from this experience, the mountain district of Tan Lac, which plans to receive 450 families from the delta districts of Thanh Oai and Chuong Binh to build new homes, has dispatched cadres to each village to plan production areas and prepare housing facilities and drinking water supplies, thereby creating favorable conditions for the new settlers to begin production quickly and stabilize their living conditions. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 10 Apr 86 BK]

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INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

[Text] Trần Bình [TRAANF FINHF], *Major General

His article on the development of the Engineer Branch appeared in the cited source. (QUAN DOI NHAN DAN 24 Mar 86 p 2)

Nguyễn Cảnh [NGUYEENX CANHR], *Colonel

Commander of the Border Defense Force, Ben Tre Province; he was mentioned in an article about the defense against sabotage in Ben Tre Province. (QUAN DOI NHAN DAN 16 Mar 86 p 2)

Nguyễn Đàm [NGUYEENX DAMF], Colonel

Acting Commander-in-Chief of the 11th Corp [Binh Doan; his article on construction activities of his unit appeared in the cited source. (NHAN DAN 10 Mar 86 p 3)]

[Note: He was previously reported as the Acting Commander-in-Chief of the 11th Group in QUAN DOI NHAN DAN 4 Mar 86 p 3]

Trần Bá Đang [TRAANF BAS DAWNGJ], Major General

Commander of the Engineer Branch; his article about the Engineer Brach and the defense and construction of Hanoi appeared in the cited source. (HANOI MOI 25 Mar 86 p 1)

Nguyễn Văn Đề [NGUYEENX VAWN DEEJ], Lt Colonel

Specialist on enemy weapons; on 16, 17 January 86 he was commended at the Heroes National Congress. (Paris DOAN KET Apr 86 p 23)

Lê Tu Đóng [LEE TUWJ DOONGF], Lieutenant General

*Member of the Presidium of the Vietnam Committee for Solidarity and Friendship with People of other Nations; on 19 March 1986 he was present to welcome a visiting delegation of the Palestinian People's Revolution Front to Hanoi. (QUAN DOI NHAN DAN 20 Mar 86 p 1)

Võ Ngoc Hải [VOX NGOCJ HIAR], Colonel

*Deputy Commander and *Political Officer of Ho Chi Minh City armed forces; on 30 January 1986 he attended a conference by the city's Military Command. (Ho Chi Minh City SAIGON GIAI PHONG 31 Jan 86 p 1).

Lê Đình Hiền [LEE DINHF HIEENF]

*Member of the Standing Committee of the Hanoi Municipal CPV Committee, Hanoi Municipality; Head of the Municipal CPV Committee Organization Department; on 15 March 1986 his delegation, headed by the Deputy Secretary of the Hanoi Municipal CPV Committee, departed for Vientiane, Laos to attend the 1st Congress of the Vientiane Party Organization. (HANOI MOI 16 Mar 86 p 1)

Hoàng Văn Hiếu [HOANGF VAWN HIEEUS]

*Deputy Head of the CPV Central Committee Agriculture Department; on 8 March 1986 he attended the departure of a delegation headed by Vu Mao, Head of the Agriculture Department, to India to attend the 13th Congress of the Indian Communists Party. [(QUAN DOI NHAN DAN 9 Mar 86 p 1)]

Lê Văn Hồng [LEE VAWN HOONGF]

*Standing Member of CPV Committee, Kien Giang Province; Chairman of the Organization Department of the Province CPV Committee Kien Giang Province; his article about the Kien Giang CPV Committee appeared in the cited source. (NHAN DAN 11 Mar 86 p 3).

Tô Hữu [TOOS HUWUX]

Member of the Political Bureau of the CPV Central Committee, Vice Chairman of the Council of Ministers; on 21 March 1986 he was awarded a medal from the People's Republic of Poland. (NHAN DAN 22 Mar 86 p 1).

Nguyễn Lãm [NGUYEENX LAM]

Secretary of the CPV Central Committee; former First Secretary of the Central Committee of the Ho Chi Minh Communist Youth Union; on 20 March 1986 he attended the 55th anniversary of the Youth Union. (TIEN PHONG 25-31 Mar 86 p 2).

Duong Bach Lien [ZUWOWNG BACHJ LIEEN], Aka Le Son [LEE SOWN], deceased

Born on 24 February 1925 at Vinh Tuy Village in suburban Hanoi he joined the revolution in 1944; he joined the CPV in 1945; *former Minister of Communications and Transportation; *Secretary of the Central Communication and Transportation CPV Committee; former Head of the Railway General Department; *Standing Member of the CPV Committee of Central Economic Organs; *Secretary of the CPV Committee of the Central Institute of Economic Management; *Deputy Director of the Central Institute of Economic Management; he died on 2 March 1986 from a sudden illness at the Vietnamese Soviet Friendship Hospital. (Hanoi GIAO THONG VAN TAI 6 Mar 86 p 1).

Vu Khac Lien [VUX KHAWS LIEEN]

Vice Minister of Culture; on 24 March 1986 he attended a ceremony at the Vietnam National Library to receive a micro-computer system presented by the Australian National Library. (QUAN DOI NHAN DAN 25 Mar 86 p 4)

Bui Danh Luu [BUIF ZANH LUWU]

Vice Minister of Communications and Transportation; on 1 March 1986 he attended the inauguration of the construction of Ben Thuy bridge over the Lam river in Nghe Tinh Province. (Hanoi GIAO THONG VAN THAI 6 Mar 86 p 1)

Nong Duc Manh [NOONG DUWCS MANHJ]

*Deputy Secretary of Provincial CPV Committee and Chairman of the People's Committee, Bac Thai Province; on 4-7 March 1986 he attended meetings of the Ho Chi Minh Communist Youth Union to evaluate tasks of 1985 and plans of 1986. (QUAN DOI NHAN DAN 9 Mar 86 p 1)

Kim Minh [KIM MINH], *Colonel

Chief of the Engineer Training Bureau; he was mentioned in an article about a contest in the Engineer Branch. (QUAN DOI NHAN DAN 17 Mar 86 p 1)

Vu Trong Nam [VUX TRONGJ NAM]

Vice Minister of Home Trade; on 31 January 1986 he attended Haiphong Municipality's conference to review 1985 achievements and set plan for 1986. (Haiphong HAI PHONG 1 Feb 86)

Nguyen Vinh Nghiep [NGUYEENX VINHX NGHIEEPJ]

Vice Chairman of the People's Committee, Ho Chi Minh City; his article on Ho Chi Minh City Assault Youth appeared in the cited source. (Ho Chi Minh City SAIGON GIAI PHONG 28 Feb 86 p 1)

Do Dinh Phat [DOOX DINHF PHATS], Colonel, deceased

Born in 1912 at Thuy Loi Village, Kim Bang District, Ha Nam Ninh Province; former political officer of the Ordnance Department, Rear Services General Department; he died on 8 March 1986 at the Vietnam-Soviet Hospital. (QUAN DOI NHAN DAN 11 Mar 86 p 4)

Nguyen Van Phuc [NGUYEENX VAWN PHUCS]

*Member of the Economics, Planning and Budget Committee of the National Assembly; Chairman of the People's Committee, Hai Hung Province; on 17 March 1986 his delegation, headed by Chairman of the National Assembly Nguyen Huu Tho, left for Laos for a friendship visit. (QUAN DOI NHAN DAN 18 Mar 86 p 1)

Nguyen Phu Soai [NGUYEENX PHUS SOAIJ]

*SRV Ambassador to Czechoslovakia; on 22 Mar 86 he welcomed a Vietnamese delegation, headed by Vice Chairman of the Council of Ministers, to Prague to attend the 17th Congress of the Communist Party of Czechoslovakia. (QUAN DOI NHAN DAN 23 Mar 86 p 1)

Dang Trung Thanh [DAWNGJ TRUNG THANH], Lt Colonel

*Commander of a Special Missions Battalion; on 16, 17 January 1986 he was commended at the Heroes National Congress. (Paris DOAN KET Apr 86 p 23)

La Thang [LA THAWNG]

Member of the CPV Central Committee; Secretary of the CPV Committee, Lang Son Province; his article on "the Role of the People's War Against the War of Sabotage and the Land-grabbing War in Lang Son Become Increasingly Steadfast" appeared in the cited source. (TAP CHI QUAN DOI NHAN DAN Feb 86 p 11-21)

Nguyen Ngoc Them [NGUYEENX NGOCJ THEEM], *Colonel

Commander of the Thang 8 [August] Engineer Group; his name was mentioned in an article about his unit. (QUAN DOI NHAN DAN 22 Mar 86 p 2)

Pham Van Tho [PHAMJ VAWN THOJ], *Colonel

Commander of the B.8 Engineer Group; he was mentioned in an article about his unit. (HANOI MOI 25 Mar 86 p 2)

Nguyen Thuan [NGUYEENX THUAANJ], Colonel

Deputy Chief of Chief, Engineer Branch; *Head of the Organization Committee; recently he spoke at an emulation event of the Engineer Branch. (QUAN DOI NHAN DAN 23 Mar 86 p 4)

Nguyen Huu Tri [NGUYEENX HUWUX TRIS], Colonel

*Deputy Chairman of the Military Draft Council in Ho Chi Minh City; his article on the achievement of the military draft in 1986 appeared in the cited source. (Ho Chi Minh City SAIGON GIAI PHONG 13 Feb 86 p 2)

Luu Dinh Ve [LUUU DINHF VEEJ]

*SRV Ambassador to the Philippines; on 11 March 1986 he presented a congratulatory message from SRV Chairman of the State Council Truong Chinh to Philippines President Aquino. (QUAN DOI NHAN DAN 14 Mar 86 p 1)

Nguyen Van Vinh [NGUYEENX VAWN VINHJ]

Vice Minister of Communications and Transportation; on 1 March 1986 he attended the inauguration of the construction of Ben Thuy bridge over the Lam river in Nghe Tinh Province. (Hanoi GIAO THONG VAN TAI 6 Mar 86 p 1)

Tran Luu Vy [TRAANF LUWU VYJ]

*Head of the Central Federation of Cooperatives; on 26 February 1986 he attended a handicrafts and artisan exhibition in Hanoi. (HANOI MOI 27 Feb 86 p 1)

Le Van Xai [LEE VAWN XAI], Colonel, deceased

Born in 1915; former Commander of the Economic Construction Department, 7th Military Region; he died on 5 March 1986 [location and cause of death not provided]. (QUAN DOI NHAN DAN 11 Mar 86 p 4)

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